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OFFICE OF INTERNATIONAL
CORPORATE FINANCE

November 2, 2006

The U.S. Securities and Exchange Commission
450 Fifth Street N.W., Room 3011
Office of International Corporate Finance, Mail Stop 3-2
Washington, DC 20549
UNITED STATES OF AMERICA

SUPPL

Attention: International Corporate Finance Office

Re: Information Filing to the Stock Exchange of Thailand of Advanced Info Service Public Company Limited

TO WHOM IT MAY CONCERN

Pursuant to Rule 12g3-2(b)(1)(iii) and on behalf of Advanced Info Service Public Company Limited (the "Company")
(File No. 82-3236), the information described below is enclosed for your attention.

♦ **Stock Exchange of Thailand Filing, AIS-CP 139/2006**

Subject: Report on the results of the exercise of warrants (ESOP Grant I, II, III, IV) in October 2006

Date: November 2, 2006

The supplement information is provided with respect to the Company's request for exemption under Rule 12g3-2(b), which was established on January 16, 1997.

This information is being furnished with the understanding that such information and documents will not be deemed "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), and that neither this letter nor the furnishing of such documents and information shall constitute an admission for any purpose that this Company is subject to the Exchange Act.

Please acknowledge receipt of this letter and the enclosed materials by date stamping the enclosed return receipt copy of this letter and returning it to the Group Compliance by fax at (662) 299-5252 attention Ms. Saowanee Tengvongvatana.

If you have any questions, please do not hesitate to contact the undersigned in Bangkok, Thailand at (662) 299-5561 or by emailing saowanee.t@shincorp.com

Thank you for your attention in this matter.

Faithfully yours,

Mrs. Siripen Sitasuwan
President & Group CFO
Shin Corporation Plc.

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Enclosure

**Summary Translation Letter
To the Stock Exchange of Thailand
November 2, 2006**

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NOV 20 P 12:45

ICI OF INTERNATIONAL
CORPORATE FINANCE

AIS-CP 139/2006

November 2, 2006

Subject: Report on the results of the exercise of warrants (ESOP Grant I, II, III, IV) in October 2006.

To: The President
The Stock Exchange of Thailand

Advanced Info Service Public Company Limited ("the Company") issued and offered the warrants to purchase the Company's ordinary shares to directors and employees of the Company (ESOP). The details of Warrants are as follows:

| Details of ESOP | Grant I | Grant II | Grant III | Grant IV |
|---|-------------------------------|--------------|--------------|--------------|
| The number of warrants (units) | 14,000,000 | 8,467,200 | 8,999,500 | 9,686,700* |
| Issuing Date | March 27, 2002 | May 30, 2003 | May 31, 2004 | May 31, 2005 |
| Exercise Price (Baht/Share) | 44.620 | 40.349 | 86.453 | 101.737 |
| Exercise Ratio (warrant : common share) | 1 : 1.07512 | | 1 : 1.06173 | 1:1.04841 |
| Maturity of Warrants | 5 years from the issuing date | | | |

*Total number of ESOP warrants Grant 4 to be issued and offered is 9,794,800 units, however they are allotted 9,686,700 units to directors and employees.

The Company would like to report the results of the exercise of warrants (ESOP Grant I, II, III, IV) in October 2006 as follows:

| Outstanding of ESOP | Grant I | Grant II | Grant III | Grant IV |
|--|---------|-----------|-----------|------------|
| No. of exercised warrants in this month (units) | 90,000 | 58,100 | 33,000 | - |
| No. of remaining unexercised warrants (units) | 922,400 | 2,130,200 | 8,147,000 | 9,686,700 |
| No. of shares derived from this exercise (shares) | 96,760 | 62,463 | 35,035 | - |
| No. of remaining shares reserved for warrants (shares) | 987,611 | 2,252,351 | 8,520,790 | 10,116,900 |

November 10, 2006

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OFFICE OF INTERNATIONAL
CORPORATE FINANCE

The U.S. Securities and Exchange Commission
450 Fifth Street N.W., Room 3011
Office of International Corporate Finance, Mail Stop 3-2
Washington, DC 20549
UNITED STATES OF AMERICA

Attention: International Corporate Finance Office

Re: Information Filing to the Stock Exchange of Thailand of Advanced Info Service Public Company Limited

TO WHOM IT MAY CONCERN

Pursuant to Rule 12g3-2(b)(1)(iii) and on behalf of Advanced Info Service Public Company Limited (the "Company") (File No. 82-3236), the information described below is enclosed for your attention.

◆ **Stock Exchange of Thailand Filing, AIS-CP 137/2006 and AIS-CP 142/2006**

Subject: 1. Notification of the Book Closing for Interest Payment and Principal for the last period of
Debentures of the Company (AIS06NA)

2. Notification of the Resolutions of the Board of Directors' Meeting 9/2006

Date: November 10, 2006

Attachment: Submission of the Reviewed Financial Statements for the Third quarter of Year 2006 and
Management's Discussion and Analysis for the Third quarter of Year 2006

The supplement information is provided with respect to the Company's request for exemption under Rule 12g3-2(b), which was established on January 16, 1997.

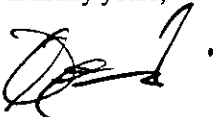
This information is being furnished with the understanding that such information and documents will not be deemed "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), and that neither this letter nor the furnishing of such documents and information shall constitute an admission for any purpose that this Company is subject to the Exchange Act.

Please acknowledge receipt of this letter and the enclosed materials by date stamping the enclosed return receipt copy of this letter and returning it to the Group Compliance by fax at (662) 299-5252 attention Ms. Saowanee Tengvongvatana.

If you have any questions, please do not hesitate to contact the undersigned in Bangkok, Thailand at (662) 299-5561 or by emailing saowanee.t@shincorp.com

Thank you for your attention in this matter.

Faithfully yours,



Mr. Anan Chatgoenngam
Compliance Manager
Shin Corporation Plc.

Enclosure

**Summary Translation Letter
To the Stock Exchange of Thailand
October 30, 2006**

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ASIA INTERNATIONAL
CORPORATE FINANCE

AIS-CP 137/2006

October 30, 2006

Subject: Notification of the Book Closing for Interest Payment and Principal for the last period of Debentures of the Company (AIS06NA)

To: The President
The Stock Exchange of Thailand

Refer to: The Letter No.ISO.ISIO.06/3381 of TMB Bank Plc. on October 27, 2006

Advanced Info Service Public Company Limited ("the Company") would like to inform you that the Company will close the registered book for interest payment and principal for the last period of debenture of the Company (AIS06NA) for redemption and suspended trading of AIS06NA, the details are shown in the referenced letter.

Referenced Letter

ISO.ISIO.06/3381

October 27, 2006

President
The Stock Exchange of Thailand
62 Rachadapisek Road, Bangkok 10110

RE : Closing the registered book for redemption and suspended trading of AIS06NA

We, TMB BANK Public Company Limited, as a Registrar & Paying Agent of Debentures of ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED NO.3/2001, DUE 2006 would like to announce that the registered book of redemption on AIS06NA will be closed from 12.00 on November 14, 2006 for the right to receive the interest and principal for the last period which will be paid on November 28, 2006 with interest rate 5.85 % from the period of August 28, 2006 to November 27, 2006 for 92 days and principal repayment at THB.1,000.00 per unit. Therefore, to comply with the settlement and securities transfer system, AIS has asked the SET to suspend trading of AIS06NA effective between November 10, 2006 to November 28, 2006 and delisted from SET since November 29, 2006 onwards.

The further details of the redemption are as follows;

- In case that bondholders would like to redeem by themselves, they should contact Registrar at TMB Bank Plc. Silom Soi 7 Branch Computer Building 2nd Floor, Silom Road, Bangrak, Bangkok 10500 and will get principal and interest by cheque from 24-28 November, 2006

- In case that the redemption process was done by registered mail, bondholders should send their debenture certificates by registered mail to Registrar at TMB Bank Plc. Silom Soi 7 Branch Computer Building 2nd Floor, Silom Road, Bangrak, Bangkok 10500 within November 14, 2006. Upon Receipt the registrar will deliver cheque of principal and interest via registered mail within November 22, 2006 at their address which are in the registrar book at 12.00 hours of November 14, 2006

**Summary Translation Letter
To the Stock Exchange of Thailand
November 10, 2006**

AIS-CP 142/2006

November 10, 2006

Subject: Notification of the Resolutions of the Board of Directors' Meeting No.9/2006

To: The President
 Stock Exchange of Thailand

We would like to inform you that Board of Directors Meeting of Advanced Info Service Plc ("the Company") No. 9/2006 held on 10 November 2006, at Board Room 1, Hyatt Regency Hotel, Hua Hin, Prachuabkhirikhan, has resolved the following matters:

1. Certified the Minutes of Board of Directors' Meeting No. 8/2006 held on October 17, 2006.
2. Approved the Balance Sheets, Statement of Income and Cash Flow Statements for the third quarter of 2006 ended September 30.
3. Acknowledged the amendment to the Charter of the Audit Committee as per details in the attached document (Form 24-3).

**Summary Translation Letter
To the Stock Exchange of Thailand
November 10, 2006**

Audit Committee Report on Members and Scope of Duties

The Board of Directors' Meeting No. 9/2006 of Advanced Info Service Public Company Limited on November 10, 2006 passed resolutions concerning the change of a duty responsibility of the Audit Committee from 2.1 Review that company financial statements are conducted in accordance with generally accepted accounting principles and are adequately disclosed to 2.1 Review that company financial statements are conducted in accordance with legally defined accounting principles and are adequately disclosed.

1. Names of member of the Audit Committee are as follows:

Remaining terms of holding office

| | |
|---|--------------------------------|
| Chairman of the Audit Committee: Mr.Aviruth Wongbuddhapitak | Term of the Board of Directors |
| Member of the Audit Committee: Mrs.Tasaneer Manorot | Term of the Board of Directors |
| Member of the Audit Committee: Mr. Surasak Vajasit | Term of the Board of Directors |
| Audit Committee Secretary: Mrs. Suwimon Kulalert | |

2. The Audit Committee of the Company has power, duties responsibilities as follows:

- 2.1 To review that the Company's financial statements are prepared in accordance with legally defined accounting principles and adequately disclosed.
- 2.2 To review that the Company has established appropriate and effective internal control and internal audit.
- 2.3 To review that the Company has complied with the laws on securities and exchange, regulations issued by virtue thereof, and other applicable laws.
- 2.4 To consider nomination and appointment of the auditor and the annual audit fee of the Company.
- 2.5 To review and express opinions on entering into related transactions by the Company and its affiliates to be in compliance with the rules and regulations prescribed by the Stock Exchange of Thailand.
- 2.6 To consider accurate and complete disclosure of related information in the case that transactions or related transactions cause a conflict of interest.
- 2.7 To review that the Company has established an appropriate and effective risk management system.
- 2.8 To approve appointment, assignment, removal and appraisal of the Chief Audit Executive.
- 2.9 To review and approve the Charter of Internal Audit activities, audit plans and activities of Internal Audit, and coordinate with the external auditor.
- 2.10 To prepare a Corporate Governance report and disclose the same information in the Company's annual report. The Chairman of the Audit Committee shall sign the report.
- 2.11 To report the performance of the Audit Committee to the Board of Directors at least four times a year.
- 2.12 To have the authority to invite concerned executives, management and officers of the Company to express opinions, attend meetings or deliver documents as deemed necessary.
- 2.13 To have the authority to retain a consultant or other third person to express opinions or give advice as deemed necessary.
- 2.14 To review and evaluate the scope of the performance of the Audit Committee on an annual basis.
- 2.15 To perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee.

The Company hereby certifies that the aforementioned members meet all the qualifications prescribed by the Stock Exchange of Thailand.

Signature -Signed-
(Mr. Somprasong Boonyachai)
Authorized Director

Signature -Signed-
(Mrs. Siripen Sitasuwan)
Authorized Director

**Summary Translation Letter
To the Stock Exchange of Thailand
November 10, 2006**

Management's Discussion and Analysis

Overview

The Group reported net additional subscribers of 1,314,200 for the 9M06 represented an increase of 45% over the same period of last year.

For 3Q06, AIS and its subsidiaries ("The Group") reported a total of 17,723,100 mobile subscribers, comprising of 1,973,600 postpaid subscribers (GSM Advance and GSM 1800) and 15,749,500 prepaid (One-2-Call!) subscribers. This represented net additions of 405,200 for the period. For the nine-month period of 2006 (9M06), the Group added a total of 1,314,200 subscribers, represented an increase of 45% y-o-y from 909,200 over the same period of last year.

Service revenues in 3Q06 were dampened by lower usage due to an ending of the low-price promotions in July 2006 and seasonality impact as third quarter usually has the lowest usage in a year. As a result, service revenues in 3Q06 declined 5% y-o-y and 2% q-o-q to Baht 18,046 million. Sales revenues increased 19.4% y-o-y based on strong handset unit sales since the beginning of the year but declined 5.6% from the previous quarter.

For the nine-month period of 2006 (9M06), service revenues were Baht 57,736 million, decreased 3.7% from Baht 59,956 million in 9M05 as the low-price promotions were launched earlier in late March this year compared to May for last year. Sales revenues were improved to Baht 11,364 million, represented an increase of 37% from Baht 8,293 million in 9M05.

The Group incurred higher total cost of Baht 41,967 million in 9M06 compared to Baht 39,463 million in 9M05, represented an increase of 6.3% y-o-y due to higher cost of sales and increasing operating cost for network quality improvement and capacity expansion.

Net profit was Baht 13,069 million in 9M06, declined 7.4% from Baht 14,109 million in 9M05.

For the period, the Group issued new long-term debentures of Baht 11,427 million to finance capital expenditure, refinance a portion of matured debentures and to support its operations.

Results of operations - Quarterly Comparison

Million Baht

| | 3Q06 | 3Q05 restated | % change y-o-y | 2Q06 | % change q-o-q |
|---------------------|--------|------------------|----------------------|--------|----------------------|
| Service revenue | 18,046 | 18,989 | (5.0%) | 18,422 | (2.0%) |
| Sales revenue | 3,858 | 3,230 | 19.4% | 4,086 | (5.6%) |
| Total revenue | 21,903 | 22,219 | (1.4%) | 22,508 | (2.7%) |
| Total cost | 13,876 | 13,435 | 3.3% | 13,968 | (0.7%) |
| Gross profit | 8,027 | 8,784 | (8.6%) | 8,540 | (6.0%) |
| SG&A | 2,621 | 2,433 | 7.6% | 2,559 | 2.4% |
| Earnings before tax | 5,293 | 6,113 | (13.4%) | 5,919 | (10.6%) |
| Net profit | 3,653 | 4,178 | (12.6%) | 4,126 | (11.5%) |

**Summary Translation Letter
To the Stock Exchange of Thailand
November 10, 2006**

Management's Discussion and Analysis

| | 9M06 (9-month) | 9M05 (9-month) restated | % change y-o-y |
|---------------------|---------------------------|--|---------------------------|
| Service revenue | 57,736 | 59,956 | (3.7%) |
| Sales revenue | 11,364 | 8,293 | 37.0% |
| Total revenue | 69,100 | 68,249 | 1.2% |
| Total cost | 41,967 | 39,463 | 6.3% |
| Gross profit | 27,133 | 28,786 | (5.7%) |
| SG&A | 7,997 | 7,468 | 7.1% |
| Earnings before tax | 18,920 | 20,572 | (8.0%) |
| Net profit | 13,069 | 14,109 | (7.4%) |

Revenues & Profitability

Total Revenue

Total revenues in 3Q06 were Baht 21,903 million, decreased 1.4% y-o-y and 2.7% q-o-q, resulted mainly from the decrease in service revenues. Of total revenues, 82% represented revenues from mobile services and the rest 18% from handset and SIM card sales.

Service revenues declined 5% y-o-y and 2% q-o-q as a result of seasonal effect and end of low-price promotion.

Service revenues in 3Q06 were Baht 18,046 million, a fall of 5% y-o-y and 2% q-o-q due to lower usage following an ending of low-price promotions in July 2006 and quarterly seasonal effect as September was normally the lowest usage month in a year.

Revenues from handset and SIM card sales were Baht 3,858 million, improved 19.4% y-o-y but declined 5.6% q-o-q. The growth from last year was driven by strong handset sales as handset selling prices continued to decline since the beginning of the year.

For 9M06, the Group generated total revenues of Baht 69,100 million, increased 1.2% from Baht 68,249 million in the same period last year due to higher sales from handset and SIM card.

Total Cost

Total cost includes cost of services and equipment rentals, concession fee and excise tax, and cost of sales. In 3Q06 The Group incurred Baht 13,876 million of total cost, increased 3.3% y-o-y but decreased 0.7% q-o-q.

There was a numbering fee paid to NTC started in Sep-06.

Cost of services and equipment rentals declined 4.2% y-o-y to Baht 5,826 million in 3Q06 from Baht 6,081 million in 3Q05 attributed to lower amortization as some portion of assets under concession agreement had been fully amortized. However, the cost of service increased slightly by 1.1% q-o-q due to higher maintenance expense and numbering fee. The Group started to pay numbering fee to the

**Summary Translation Letter
To the Stock Exchange of Thailand
November 10, 2006**

Management's Discussion and Analysis

National Telecommunications Commission (NTC) since September 2006 at Baht 1/number/month.

The concession fee and excise tax were Baht 4,411 million in 3Q06, decreased 1% y-o-y and 3% q-o-q resulted from lower service revenues during the period. For the nine-month period of 2006, concession fee and excise tax as percentage of service revenue were 24.6%, compared to 23.4% for the same period in 2005 due to the increase of concession fee on postpaid service from 25% last year to 30% currently.

Cost of sales were Baht 3,638 million in 3Q06 increased from Baht 2,898 million in 3Q05 but declined slightly from Baht 3,660 million in 2Q06. This represented a sales margin of 5.7% in 3Q06 compared to 10.3% in 3Q05 and 10.4% in 2Q06. Sales margin was usually fluctuated from quarter to quarter depending on the launches of new handset models.

SG&A expenses increased because of aggressive marketing promotion in this period.

Selling and administrative expenses were Baht 2,621 million in 3Q06, represented an increase of 7.7% y-o-y and 2.4% q-o-q. The higher expenses were mainly caused by higher marketing expenses following increasing marketing activities on refreshments of the Group's three brands – GSM Advance, One-2-call and Sawasdee. SG&A to total revenues increased to 12% in 3Q06 compared to 11% in 3Q05 and 11.4% in 2Q06.

In 3Q06, interest expenses were Baht 372 million, increased from Baht 327 million in 2Q06 as the Group issued a new debenture of total Baht 11,427 million in September 2006.

Net Profit

The Group posted a net profit of Baht 3,653 million in 3Q06, a fall of 12.6% y-o-y and 11.5% q-o-q. For 9M06, net profit was Baht 13,069 million, decreased 7.4% from Baht 14,109 million in 9M05.

Liquidity

During the first nine month period of 2006, current ratio improved slightly to 57% as at end of September 2006 from 55% as at end of December 2005. This was resulted from an increase in amount of cash and cash equivalents from Baht 11,456 million as at the end of 2005 to Baht 13,828 million as at the end of September 2006.

Current assets

As of 30 September 2006, the Group's current assets was Baht 23,235 million, increased 14% from Baht 20,347 million as of 31 December 2005 due to increase in cash and prepaid expenses such as concession fee and excise tax.

Current liabilities

Total current liabilities also increased to Baht 40,746 million from Baht 36,734 million at the end of December 2005 due to increase in trade accounts payable and current portion of long-term debentures.

**Summary Translation Letter
To the Stock Exchange of Thailand
November 10, 2006**

Management's Discussion and Analysis

| | 30 September 2006 | | 31 December 2005 | |
|---|-------------------|---------------------|------------------|---------------------|
| | Million Baht | % Total Liabilities | Million Baht | % Total Liabilities |
| Trade accounts payable | 6,519 | 16.0% | 4,520 | 12.3% |
| Current portion of long-term borrowings & debentures | 16,499 | 40.5% | 14,241 | 38.8% |
| Concession right payable, accrued concession fee and excise tax | 8,536 | 20.9% | 7,354 | 20.0% |
| Other current liabilities | 9,192 | 22.6% | 10,619 | 28.9% |

Assets

Total Asset grew from increase in cash and fixed assets

Total assets, as of 30 September 2006 was Baht 132,368 million, grew by Baht 4,408 million from Baht 127,960 million as of 31 December 2005. The increase primarily came from increases in cash & cash equivalents and asset under concession agreement as the Company continued to invest in network capacity and quality.

Current assets accounted for 17.6% of total assets. Details of major items were as follows.

| | 30 September 2006 | | 31 December 2005 | |
|---------------------------------------|-------------------|-------------------|------------------|-------------------|
| | Million Baht | % of Total assets | Million Baht | % of Total Assets |
| Current assets | 23,235 | 17.6% | 20,347 | 15.9% |
| Property, plant and equipment, net | 7,754 | 5.9% | 8,259 | 6.5% |
| Asset under concession agreement, net | 78,327 | 59.2% | 75,843 | 59.3% |
| Deferred tax asset | 9,816 | 7.4% | 8,946 | 7.0% |
| Other non-current assets | 13,236 | 10.0% | 14,565 | 11.4% |

Capital structure

The Group had strong capital structure amidst high dividend pay-out and increase in total debts.

The Group's balance sheet and capital structure remained strong, which support company's ability to continue paying high dividend pay-out. The strong capital structure reflected in low total liabilities to equity at 78% as of 30 September 2006, compared to 60% as of 31 December 2005. The slight increase in ratio was a result of an issuance of debentures of total Baht 11,427 million in September 2006.

Net debt to equity (Net debt = total debentures and borrowings minus cash) also increased to 27% as of 30 September 2006 from 18% as of 31 December 2005.

**Summary Translation Letter
To the Stock Exchange of Thailand
November 10, 2006**

Management's Discussion and Analysis

Debentures and Loans

Total debentures and loans as of 30 September 2006 were Baht 33,632 million, increased from Baht 25,451 million as of 31 December 2005. In September 2006, the Group issued new long-term debentures of total Baht 11,427 million. These debentures had maturity of 3-7 years with an average interest rate of 5.9% per annum.

| | 30 September 2006 | | 31 December 2005 | |
|--|-------------------|---------------------|------------------|---------------------|
| | Million Baht | % Total Liabilities | Million Baht | % Total Liabilities |
| Current portion of long-term borrowings & debentures | 16,499 | 28.5% | 14,241 | 29.7% |
| Long-term borrowings | 23 | 0.04% | 19 | 0.04% |
| Long-term debentures | 17,110 | 29.5% | 11,191 | 23.3% |
| Total interest bearing debts | 33,632 | 58.1% | 25,451 | 53.0% |

Shareholders' equity

The Group's shareholder's equity decreased to Baht 74,451 million as of 30 September 2006 from Baht 79,935 million as of 31 December 2005, mainly due to dividend payment of total Baht 18,623 million.

Cash Flow

Cash flow continued to be strong and more than sufficient to finance capex.

For the first nine-month period of 2006, the Group continued to show strong cash flow position. The Group generated net cash flow from operations of Baht 27,656 million and had net additional cash inflow from Baht 11,410 million new debentures. The use of funds was to spend on capital expenditure of Baht 12,477 million, refinance Baht 3,261 million of long-term debt, pay Baht 18,623 million dividends, and the rest kept as cash on hand.

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WASHINGTON, DC

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS
(UNAUDITED)**

30 SEPTEMBER 2006

PricewaterhouseCoopers ABAS Ltd.
15th Floor Bangkok City Tower
179/74-80 South Sathorn Road
Bangkok 10120
Telephone 66 (0) 2344 1000
66 (0) 2286 9999
Facsimile 66 (0) 2286 5050
P.O. Box 800 Bangkok 10500
www.pwc.com/thailand

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

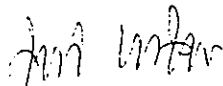
To the Shareholders of Advanced Info Service Public Company Limited

I have reviewed the accompanying consolidated and company balance sheets as at 30 September 2006, and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2006 and the related statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2006 of Advanced Info Service Public Company Limited and its subsidiaries and of Advanced Info Service Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these financial statements based on my review. The interim consolidated and company financial statements for the three-month and nine-month periods ended 30 September 2005 of Advanced Info Service Public Company Limited and its subsidiaries and of Advanced Info Service Public Company Limited, were reviewed by another auditor from the same firm as myself, whose report dated 11 November 2005 stated that nothing had come to his attention that caused him to believe that the interim financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles. The consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2005 and the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2005, presented for comparative purposes (before restatement), are components of the aforementioned interim financial statements.

I conducted my review in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the interim consolidated and company financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated and company financial statements for the year ended 31 December 2005 of Advanced Info Service Public Company Limited and its subsidiaries and of Advanced Info Service Public Company Limited, respectively, were audited by another auditor of the same firm as myself and his report dated 27 February 2006 expressed an unqualified opinion on those statements. The consolidated and company balance sheets as at 31 December 2005, presented herewith for comparative purposes (before restatement), are part of the consolidated and company financial statements which were audited and upon which a report was issued as stated above and I have not performed any other auditing procedures subsequent to the date of that report.



SUCHART LUENGSRASWAT
Certified Public Accountant
(Thailand) No. 2807
PricewaterhouseCoopers ABAS Limited

Bangkok
10 November 2006

| | Notes | Consolidated | | Company | |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| | | Unaudited | Audited | Unaudited | Audited |
| | | 30 September | 31 December | 30 September | 31 December |
| | | 2006 | 2005 | 2006 | 2005 |
| | | | Restated | | Restated |
| | | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | | 13,828,478 | 11,456,373 | 2,132,261 | 1,824,526 |
| Short-term investments | | 116,890 | 298,840 | - | - |
| Trade accounts receivable, net | 7 | 4,285,546 | 4,526,264 | 4,927,660 | 5,450,856 |
| Amounts due from and loan to related parties | 19 | 2,722 | 3,017 | 80,733 | 40,076 |
| Receivables for cash card | | 480,761 | 1,266,494 | - | - |
| Value added tax receivables - third party | | 362,258 | 214,746 | 362,258 | 214,746 |
| Inventories and spare part inventories for mobile phone network maintenance, net | | 1,927,778 | 1,347,141 | 129,985 | 186,224 |
| Other current assets | 8 | 2,230,308 | 1,233,709 | 1,812,540 | 1,016,911 |
| Total Current Assets | | <u>23,234,741</u> | <u>20,346,584</u> | <u>9,445,437</u> | <u>8,733,339</u> |
| Non-Current Assets | | | | | |
| Investments in subsidiaries, net | 9 | - | - | 30,953,887 | 30,977,002 |
| Property, plant and equipment, net | 10 | 7,753,670 | 8,259,476 | 7,059,397 | 7,917,282 |
| Assets under concession agreements, net | 10 | 78,326,732 | 75,842,690 | 71,683,609 | 68,028,653 |
| Intangible assets | | | | | |
| Computer software, net | 10 | 1,336,451 | 1,440,357 | 1,262,216 | 1,351,642 |
| Concession rights, net | 10 | 3,164,810 | 3,505,927 | - | - |
| Goodwill, net | 10 | 8,128,769 | 9,003,947 | - | - |
| Deferred tax assets | 15 | 9,816,521 | 8,945,615 | 8,863,564 | 8,018,574 |
| Other non-current assets, net | 10 | 605,910 | 614,908 | 494,197 | 516,566 |
| Total Non-Current Assets | | <u>109,132,863</u> | <u>107,612,920</u> | <u>120,316,870</u> | <u>116,809,719</u> |
| Total Assets | | <u>132,367,604</u> | <u>127,959,504</u> | <u>129,762,307</u> | <u>125,543,058</u> |

ADVANCED INFORMATION SYSTEMS COMPANY LIMITED
 100, 100/1, 100/2, 100/3, 100/4, 100/5, 100/6, 100/7, 100/8, 100/9, 100/10, 100/11, 100/12, 100/13, 100/14, 100/15, 100/16, 100/17, 100/18, 100/19, 100/20, 100/21, 100/22, 100/23, 100/24, 100/25, 100/26, 100/27, 100/28, 100/29, 100/30, 100/31, 100/32, 100/33, 100/34, 100/35, 100/36, 100/37, 100/38, 100/39, 100/40, 100/41, 100/42, 100/43, 100/44, 100/45, 100/46, 100/47, 100/48, 100/49, 100/50, 100/51, 100/52, 100/53, 100/54, 100/55, 100/56, 100/57, 100/58, 100/59, 100/60, 100/61, 100/62, 100/63, 100/64, 100/65, 100/66, 100/67, 100/68, 100/69, 100/70, 100/71, 100/72, 100/73, 100/74, 100/75, 100/76, 100/77, 100/78, 100/79, 100/80, 100/81, 100/82, 100/83, 100/84, 100/85, 100/86, 100/87, 100/88, 100/89, 100/90, 100/91, 100/92, 100/93, 100/94, 100/95, 100/96, 100/97, 100/98, 100/99, 100/100

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The notes on pages 10 to 37 are an integral part of these interim financial statements.

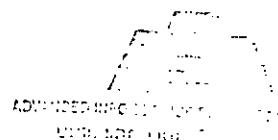
The notes on pages 10 to 37 are an integral part of these interim financial statements.

Statements of Income (Unaudited)

For the nine-month periods ended 30 September 2006 and 2005

| | Consolidated | | Company | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Unaudited 30 September 2006 | Unaudited 30 September 2005 | Unaudited 30 September 2006 | Unaudited 30 September 2005 |
| | | Restated | | Restated |
| Notes | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| Revenues | | | | |
| Revenues from services and equipment rentals | 57,735,407 | 59,955,693 | 54,506,697 | 55,415,599 |
| Sales | 11,364,292 | 8,293,246 | - | - |
| Total revenues | 69,099,699 | 68,248,939 | 54,506,697 | 55,415,599 |
| Cost | | | | |
| Cost of services and equipment rentals | 17,464,016 | 17,969,078 | 17,824,613 | 18,831,758 |
| Concession fee and excise tax | 14,203,495 | 14,058,899 | 13,243,037 | 12,866,749 |
| Cost of sales | 10,299,171 | 7,435,309 | - | - |
| Total cost | 41,966,682 | 39,463,286 | 31,067,650 | 31,698,507 |
| Gross profit | 27,133,017 | 28,785,653 | 23,439,047 | 23,717,092 |
| Selling and administrative expenses | 7,996,633 | 7,467,179 | 6,736,557 | 6,718,822 |
| Profit from sales, services and equipment rentals | 19,136,384 | 21,318,474 | 16,702,490 | 16,998,270 |
| Other operating income | 784,544 | 426,155 | 480,867 | 460,288 |
| Net gain on exchange rate | 31,793 | 18,895 | 15,796 | 20,312 |
| Directors' remuneration | (5,714) | (4,067) | (4,925) | (4,037) |
| Operating results | 19,947,007 | 21,759,457 | 17,194,228 | 17,474,833 |
| Share of net profit of investments | | | | |
| - equity method | 9 | - | 1,895,185 | 2,636,235 |
| Profit before interest and tax | 19,947,007 | 21,759,457 | 19,089,413 | 20,111,068 |
| Interest expense | (1,026,833) | (1,187,306) | (1,197,612) | (1,123,175) |
| Income tax | (5,967,063) | (6,448,461) | (4,823,111) | (4,879,381) |
| Profit before minorities | 12,953,111 | 14,123,690 | 13,068,690 | 14,108,512 |
| (Loss) profit attributable to minorities, net | (115,579) | 15,178 | - | - |
| Net profit for the period | 13,068,690 | 14,108,512 | 13,068,690 | 14,108,512 |
| Basic earnings per share (Baht) | 5 | | | |
| Net profit for the period | 4.43 | 4.79 | 4.43 | 4.79 |
| Diluted earnings per share (Baht) | 5 | | | |
| Net profit for the period | 4.43 | 4.79 | 4.43 | 4.79 |

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The notes on pages 10 to 37 are an integral part of these interim financial statements.

Advanced Info Service Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the nine-month periods ended 30 September 2006 and 2005

| | Consolidated (Baht'000) | | | | | | | |
|--|----------------------------------|--------------------------|--|--------------------|---|---------------|------------------------------------|----------------------------------|
| | Issued and paid-up share capital | Premium on share capital | Advance receipt for share subscription | Fair Value reserve | Unrealised gain on dilution of investment | Legal reserve | Capital reserve for treasury stock | Unappropriated retained earnings |
| Opening balance 2006 | 2,950,640 | 20,729,933 | 25,257 | 25,243 | 161,187 | 500,000 | 83,130 | 45,817,013 |
| Retrospective adjustments (Note 2) | - | - | - | (7,573) | - | - | - | 8,847,417 |
| Opening balance - as restated | 2,950,640 | 20,729,933 | 25,257 | 17,670 | 161,187 | 500,000 | 83,130 | 54,664,430 |
| Net profit for the period | - | - | - | - | - | - | - | 13,068,690 |
| Dividend paid (Note 6) | - | - | - | - | - | - | - | (18,592,833) |
| Transfer of advanced receipts to additional shares (Note 17) | 491 | 24,766 | (25,257) | - | - | - | - | - |
| Additional shares (Note 17) | 4,134 | 187,015 | - | - | - | - | - | - |
| Advanced receipt for share subscription (Note 17) | - | - | 12,872 | - | - | - | - | - |
| Fair value reserve of available-for-sale securities | - | - | - | (17,670) | - | - | (83,130) | 83,130 |
| Reversal of capital reserve for treasury stock | - | - | - | - | - | - | - | - |
| Offset of treasury stock (Note 17) | (2,540) | - | - | - | - | - | (83,130) | (80,590) |
| Dividend received from subsidiary | - | - | - | - | - | - | - | - |
| Loss attributable to minorities | - | - | - | - | - | - | - | (29,761) |
| Closing balance 30 September 2006 | 2,952,725 | 20,941,714 | 12,872 | - | 161,187 | 500,000 | - | 74,451 |
| Opening balance 2005 | 2,945,187 | 20,470,525 | 11,051 | 14,268 | 3,041 | 500,000 | (83,130) | 68,087 |
| Retrospective adjustments (Note 2) | - | - | - | (4,280) | - | - | - | 9,040 |
| Opening balance - as restated | 2,945,187 | 20,470,525 | 11,051 | 9,988 | 3,041 | 500,000 | (83,130) | 77,127 |
| Net profit for the period | - | - | - | - | - | - | - | 14,108 |
| Dividend paid | - | - | - | - | - | - | - | (16,491) |
| Transfer of advanced receipts to additional shares | 253 | 10,798 | (11,051) | - | - | - | - | - |
| Additional shares | 3,922 | 175,301 | - | - | - | - | - | - |
| Advanced receipt for share subscription | - | - | 51,483 | - | - | - | - | - |
| Fair value reserve of available-for-sale securities | - | - | - | 3,840 | - | - | - | - |
| Unrealised gain (loss) on dilution of investment | - | - | - | - | 158,146 | - | - | (158,146) |
| Capital reserve for treasury stock | - | - | - | - | - | - | 83,130 | (83,130) |
| Dividend received from subsidiary | - | - | - | - | - | - | - | (23,384) |
| Profit attributable to minorities | - | - | - | - | - | - | - | 15,178 |
| Closing balance 30 September 2005 | 2,949,302 | 20,656,624 | 51,483 | 13,828 | 161,187 | 500,000 | 83,130 | 50,047,499 |
| | | | | | | | (83,130) | 905,405 |
| | | | | | | | | 75,285 |

The notes on pages 10 to 37 are an integral part of these interim financial statements.



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Advanced Info Service Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited) (continued)
For the nine-month periods ended 30 September 2006 and 2005

| | Company (Bath'000) | | | | | | | |
|---|--|-----------------------------|---|--|------------------|--|--|-------------------|
| | Issued and paid-up share capital | Premium on share capital | Advance receipt for share subscription | Unrealised gain on dilution of investment | Legal reserve | Capital reserve for treasury stock | Unappropriated retained earnings | Treasury Stock |
| Opening balance 2006 | 2,950,640 | 20,729,933 | 25,257 | 161,187 | 500,000 | 83,130 | 45,817,013 | (83,130) |
| Retrospective adjustments (Note 2) | - | - | - | - | - | - | 8,847,417 | - |
| Opening balance - as restated | 2,950,640 | 20,729,933 | 25,257 | 161,187 | 500,000 | 83,130 | 54,664,430 | (83,130) |
| Net profit for the period | - | - | - | - | - | - | 13,068,690 | - |
| Dividend paid (Note 6) | - | - | - | - | - | - | (18,592,833) | - |
| Transfer of advanced receipts to additional shares (Note 17) | 491 | 24,766 | (25,257) | - | - | - | - | - |
| Additional shares (Note 17) | 4,134 | 187,015 | - | - | - | - | - | - |
| Advanced receipts for share subscription (Note 17) | - | - | 12,872 | - | - | - | - | - |
| Reversal of capital reserve for treasury stock | - | - | - | - | - | (83,130) | 83,130 | - |
| Offset of treasury stock (Note 17) | (2,540) | - | - | - | - | - | (80,590) | 83,130 |
| Closing balance 30 September 2006 | 2,952,725 | 20,941,714 | 12,872 | 161,187 | 500,000 | - | 49,142,827 | - |
| Opening balance 2005 | 2,945,187 | 20,470,525 | 11,051 | 3,041 | 500,000 | - | 43,483,254 | (83,130) |
| Retrospective adjustments (Note 2) | - | - | - | - | - | - | 9,030,734 | - |
| Opening balance - as restated | 2,945,187 | 20,470,525 | 11,051 | 3,041 | 500,000 | - | 52,513,988 | (83,130) |
| Net profit for the period | - | - | - | - | - | - | 14,108,512 | - |
| Dividend paid | - | - | - | - | - | - | (16,491,871) | - |
| Transfer of advanced receipts to additional shares | 253 | 10,798 | (11,051) | - | - | - | - | - |
| Additional shares | 3,922 | 175,301 | - | - | - | - | - | - |
| Advanced receipts for share subscription | - | - | 51,483 | - | - | - | - | - |
| Unrealised gain on dilution of investment | - | - | - | 158,146 | - | - | - | - |
| Capital reserve for treasury stock | - | - | - | - | - | 83,130 | (83,130) | - |
| Closing balance 30 September 2005 | 2,949,362 | 20,656,624 | 51,483 | 161,187 | 500,000 | 83,130 | 50,047,499 | (83,130) |

The notes on pages 10 to 37 are an integral part of these interim financial statements.

Statements of Cash Flows (Unaudited)
For the nine-month periods ended 30 September 2006 and 2005

| | Notes | Consolidated | | Company | |
|--|-------|--------------|----------------------|--------------|----------------------|
| | | Unaudited | Unaudited | Unaudited | Unaudited |
| | | 30 September | 30 September | 30 September | 30 September |
| | | 2006 | 2005 | 2006 | 2005 |
| | | Baht'000 | Restated Baht'000 | Baht'000 | Restated Baht'000 |
| Cash flows from operating activities | 18 | 27,655,903 | 25,153,697 | 24,591,114 | 22,903,406 |
| Cash flows from investing activities: | | | | | |
| Net changes in short-term investments | | 156,708 | (101,019) | - | - |
| Net changes in advances to suppliers | | - | 56,653 | - | 56,653 |
| Proceeds from disposals of property and equipment | | 16,204 | 12,806 | 14,965 | 83,905 |
| Acquisitions of subsidiaries, net of cash acquired | 9 | - | - | (99,000) | (213,000) |
| Cash invested in long-term investments in a subsidiary | | - | - | - | (250,000) |
| Purchases of property, plant and equipment | | (2,380,406) | (2,556,127) | (2,317,394) | (2,482,801) |
| Purchases of assets under concession agreements | | (10,096,842) | (9,254,956) | (9,845,440) | (8,849,891) |
| Dividend received from subsidiaries | | - | - | 2,017,300 | 1,603,741 |
| Net cash payments to investing activities | | (12,304,336) | (11,842,643) | (10,229,569) | (10,051,393) |
| Cash flows from financing activities: | | | | | |
| Proceeds from short-term loans from banks | | - | 1,500,000 | - | 1,500,000 |
| Proceeds from short-term loans from a subsidiary | | - | - | 5,000,000 | 7,500,000 |
| Repayments of short-term loans from a subsidiary | | - | - | (8,800,000) | (2,500,000) |
| Repayments of long-term debentures | 12 | (3,250,000) | (3,000,000) | (3,250,000) | (3,000,000) |
| Proceeds from long-term debentures | 12 | 11,410,173 | - | 11,410,173 | - |
| Finance lease principal payments | 12 | (10,815) | (96,642) | (9,148) | (96,307) |
| Cash receipts from additional share in a subsidiary from minorities | | - | 315,000 | - | - |
| Net proceeds from capital increase | | 4,134 | 3,922 | 4,134 | 3,922 |
| Net proceeds from share premium | | 187,015 | 175,301 | 187,015 | 175,301 |
| Advanced receipts for share subscription | | 12,872 | 51,483 | 12,872 | 51,483 |
| Payments of dividend | 6 | (18,592,833) | (16,491,871) | (18,592,833) | (16,491,871) |
| Payments of dividend to minorities | | (29,761) | (23,384) | - | - |
| Net cash payments from financing activities | | (10,269,215) | (17,566,191) | (14,037,787) | (12,857,472) |
| Net increase (decrease) in cash and cash equivalents | | 5,082,352 | (4,255,137) | 323,758 | (5,459) |
| Opening balance | | 6,757,483 | 9,449,331 | 1,824,526 | 1,535,118 |
| Unrealised (loss) gain on exchange rate of cash and cash equivalents | | (16,023) | 17,119 | (16,023) | 17,119 |
| Closing balance | | 11,823,812 | 5,211,313 | 2,132,261 | 1,546,778 |

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The notes on pages 10 to 37 are an integral part of these interim financial statements.

Supplemental disclosures of cash flow information

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows for the nine-month periods ended 30 September 2006 and 2005 comprise:

| | Consolidated | | Company | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Unaudited 30 September 2006 | Unaudited 30 September 2005 | Unaudited 30 September 2006 | Unaudited 30 September 2005 |
| | Restated | | Restated | |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Cash and deposits at financial institutions | 7,802 | 5,724 | 1,668 | 796 |
| Short-term investments with maturities of three months or less | 6,027 | 1,657 | 464 | 751 |
| Cash and cash equivalents stated in balance sheets | 13,829 | 7,381 | 2,132 | 1,547 |
| Less restricted bank deposit | (2,005) | (2,170) | - | - |
| Total cash and cash equivalents for statement of cash flows purpose | 11,824 | 5,211 | 2,132 | 1,547 |

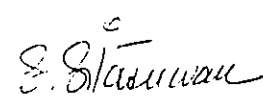
Restricted bank deposits

In order to comply with the Notification of the Bank of Thailand applicable to the electronic cash card business, the subsidiaries' deposits held at call with banks amounting to the subsidiaries' outstanding balance of advance from customers of Baht 2,004.67 million (30 September 2005: Baht 2,170.41 million) have to be maintained as the minimum at bank and cannot be used for other purposes apart from payment made to service providers.

Interest paid, income tax and non-cash investing activities

Interest paid, income tax paid and non-cash investing activities for the nine-month periods ended 30 September 2006 and 2005 comprise:

| | Consolidated | | Company | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Unaudited 30 September 2006 | Unaudited 30 September 2005 | Unaudited 30 September 2006 | Unaudited 30 September 2005 |
| | Restated | | Restated | |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Interest paid and income tax paid | | | | |
| Interest paid | 1,069 | 1,142 | 1,319 | 1,155 |
| Income tax paid | 8,101 | 9,712 | 6,132 | 7,449 |
| Non-cash investing activities | | | | |
| Outstanding debts arising from investment in property, plant and equipment and assets under concession agreements | 4,368 | 3,575 | 4,267 | 3,454 |

1 Accounting policies

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard 41, "Interim Financial Reporting" and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act., B.E. 2535.

An English version of the consolidated and company interim financial statements have been prepared from the interim financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

As a result of the Federation of Accounting Profession (FAP) approval of three new accounting standards on 12 May 2005, the Company has adopted TAS 52, 'Events after Balance Sheet Date', TAS 53, 'Provisions, Contingent Liabilities, Contingent Assets' and TAS 54, 'Discontinuing Operations' since the second quarter of 2005. The adoption of three new standards did not have material impact on the interim consolidated and company financial statements presented.

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2005, except for the early adoption of TAS 56, 'Accounting for Income Taxes', prior to its effective date as follows.

Deferred income tax is provided in full, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from amortisation on the assets under concession, depreciation on the property, plant and equipment, allowance for doubtful debts, provision for liabilities, tax losses carried forward. Currently enacted tax rates are used in the determination of deferred income tax.

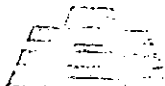
Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Income tax expense is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

These interim financial statements should be read in conjunction with the 2005 annual financial statements.

These interim consolidated and company financial statements have been approved for issue by the Board of Directors on 10 November 2006


ADVANCED INFO SERVICE PUBLIC CO., LTD.
UNREGISTERED AND UNLISTED COMPANY

 28.

2 Early adoption of Accounting for Income Taxes

As mentioned in note 1, the Group has early adopted in the first quarter of 2006, prior to its effective date, TAS 56, "Accounting for Income Taxes". The adjustment as a result of the adoption has been accounted for retrospectively. The Group and the Company adjusted the consolidated and company balance sheets as at 31 December 2005, and the consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2005 as follows:

Balance sheets as at 31 December 2005

| | Restated | |
|--|------------------------------|-------------------------|
| | Consolidated Million Baht | Company Million Baht |
| Increase in long-term investments | - | 829 |
| Increase in deferred tax assets | 8,946 | 8,019 |
| Increase in deferred tax liabilities | 92 | - |
| Shareholders' equity | | |
| Decrease in fair value reserve | 8 | - |
| Increase in retained earnings as at 31 December 2005 | 8,847 | 8,847 |
| Increase in retained earnings as at 1 January 2005 | 9,030 | 9,030 |
| Increase in minority interests | 14 | - |

Statements of income for the three-month period ended 30 September 2005

| | Restated | |
|--|------------------------------|-------------------------|
| | Consolidated Million Baht | Company Million Baht |
| Decrease in share of net profit of investments - equity method | - | 61 |
| Increase in income tax | 237 | 176 |
| Decrease in profit attributable to minorities | - | - |
| Decrease in net profit for the period | 237 | 237 |
| Decrease in basic earnings per share (Baht) | 0.08 | 0.08 |
| Decrease in diluted earnings per share (Baht) | 0.09 | 0.09 |

Statements of income for the nine-month period ended 30 September 2005

| | Restated | |
|--|------------------------------|-------------------------|
| | Consolidated Million Baht | Company Million Baht |
| Decrease in share of net profit of investments - equity method | - | 110 |
| Decrease in income tax | 154 | 265 |
| Decrease in profit attributable to minorities | 1 | - |
| Increase in net profit for the period | 155 | 155 |
| Increase in basic earnings per share (Baht) | 0.05 | 0.05 |
| Increase in diluted earnings per share (Baht) | 0.05 | 0.05 |

ADVANCED INFO SERVICE PVT. LTD.
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Advanced Info Service Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the nine-month periods ended 30 September 2006 and 2005

3 Segment information

Financial information by business segment for the three-month and nine-month periods ended 30 September 2006 and 2005 are as follows:

| | Consolidated (Million Baht) | | | | | | |
|---|--|----------|-----------------------|---------|------------------------------------|-------|----------|
| | For the three-month periods ended 30 September | | | | | | |
| | Mobile phone and call center services | | Mobile phone sales | | Datatnet and broadband services | | Group |
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 |
| Revenues: | | | | | | | |
| Revenues from services and equipment rentals | 17,833 | 18,820 | 28 | 25 | 185 | 144 | 18,046 |
| Sales | - | - | 3,857 | 3,229 | 1 | 1 | 3,858 |
| Total revenues | 17,833 | 18,820 | 3,885 | 3,254 | 186 | 145 | 21,904 |
| Operating expenses: | | | | | | | |
| Cost of sales, services and equipment rentals | (10,081) | (10,429) | (3,649) | (2,906) | (146) | (100) | (13,876) |
| Selling and administrative expenses | (2,446) | (2,275) | (94) | (93) | (81) | (65) | (2,621) |
| Operating profit (loss) | 5,306 | 6,116 | 142 | 255 | (41) | (20) | 5,407 |

Advanced Info Service Public Company Limited
 Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
 For the nine-month periods ended 30 September 2006 and 2005

3 Segment information (continued)

| | Consolidated (Million Baht) | | | | | | |
|---|---|----------|-----------------------|---------|------------------------------------|-------|----------|
| | For the nine-month periods ended 30 September | | | | | | |
| | Mobile phone and call center services | | Mobile phone sales | | Datatnet and broadband services | | Group |
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 |
| Revenues: | | | | | | | |
| Revenues from services and equipment rentals | 57,153 | 59,483 | 69 | 76 | 513 | 397 | 57,735 |
| Sales | - | - | 11,352 | 8,291 | 12 | 2 | 11,364 |
| Total revenues | 57,153 | 59,483 | 11,421 | 8,367 | 525 | 399 | 69,099 |
| Operating expenses: | | | | | | | |
| Cost of sales, services and equipment rentals | (31,256) | (31,760) | (10,319) | (7,458) | (392) | (246) | (41,967) |
| Selling and administrative expenses | (7,398) | (7,105) | (349) | (202) | (249) | (160) | (7,996) |
| Operating profit (loss) | 18,499 | 20,618 | 753 | 707 | (116) | (7) | 19,136 |



8.8

ADVANCED INFO SERVICE PUL
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4 Significant items charged to operating profit

The following items have been charged to the operating profit during the interim period:

| | Consolidated | | Company | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 30 September 2006 Million Baht | 30 September 2005 Million Baht | 30 September 2006 Million Baht | 30 September 2005 Million Baht |
| Depreciation on property and equipment (Note 10) | 2,924 | 3,684 | 2,833 | 3,621 |
| Amortisation of Assets under concession agreements (Note 10) | 9,253 | 9,505 | 8,290 | 7,975 |
| Amortisation of intangible assets (Note 10) | | | | |
| - Computer software | 380 | 385 | 376 | 385 |
| - Concession rights | 341 | 341 | - | - |
| - Goodwill | 875 | 875 | - | - |
| - Deferred charges | 84 | 117 | 68 | 102 |
| Loss (reversal) on obsolete spare parts for mobile phone network maintenance, net | 94 | (135) | 90 | (145) |
| Impairment loss/written-off on assets | 69 | - | 53 | - |
| Doubtful accounts and bad debts | 210 | 396 | 197 | 380 |
| Staff costs | 2,603 | 2,128 | 1,910 | 1,543 |
| Marketing expenses | 2,052 | 2,010 | 1,750 | 1,874 |
| Number of staff (persons) | 7,944 | 7,759 | 4,619 | 4,532 |

5 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to shareholders by the weighted average number of paid-up ordinary shares in issue during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive ordinary shares which are the weighted average number of ordinary shares which would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The assumed proceeds from exercise of warrants should be considered to have been received from the issue of shares at fair value. These represent warrants where the exercise price is less than the average market price of the Company's shares during the three-month and nine-month periods ended 30 September 2006 and 2005.

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5 Earnings per share (continued)

| For the three-month periods ended | Consolidated | | Company | |
|---|----------------------|----------------------------------|----------------------|----------------------------------|
| | 30 September 2006 | 30 September 2005 Restated | 30 September 2006 | 30 September 2005 Restated |
| Basic earnings per share (Baht) | | | | |
| Net profit attributable to shareholders (Million Baht) | 3,653 | 4,178 | 3,653 | 4,178 |
| Weighted average number of paid-up ordinary share in issue during the period (Million shares) | 2,955 | 2,946 | 2,955 | 2,946 |
| Basic earnings per share (Baht) | 1.24 | 1.42 | 1.24 | 1.42 |
| Diluted earnings per share (Baht) | | | | |
| Effect of dilutive potential ordinary shares (Million shares) | - | 1 | - | 1 |
| Weighted average number of ordinary shares for diluted earnings per share (Million shares) | 2,955 | 2,947 | 2,955 | 2,947 |
| Diluted earnings per share (Baht) | 1.24 | 1.42 | 1.24 | 1.42 |

| For the nine-month periods ended | Consolidated | | Company | |
|---|----------------------|----------------------------------|----------------------|----------------------------------|
| | 30 September 2006 | 30 September 2005 Restated | 30 September 2006 | 30 September 2005 Restated |
| Basic earnings per share (Baht) | | | | |
| Net profit attributable to shareholders (Million Baht) | 13,069 | 14,109 | 13,069 | 14,109 |
| Weighted average number of paid-up ordinary share in issue during the period (Million shares) | 2,952 | 2,945 | 2,952 | 2,945 |
| Basic earnings per share (Baht) | 4.43 | 4.79 | 4.43 | 4.79 |
| Diluted earnings per share (Baht) | | | | |
| Effect of dilutive potential ordinary shares (Million shares) | - | 1 | - | 1 |
| Weighted average number of ordinary shares for diluted earnings per share (Million shares) | 2,952 | 2,946 | 2,952 | 2,946 |
| Diluted earnings per share (Baht) | 4.43 | 4.79 | 4.43 | 4.79 |

6 Dividend paid

During the three-month period ended 30 September 2006, at the Board of Directors' Meeting on 15 August 2006, it was approved to declare an interim dividend for 2,952.55 million shares of Baht 3.00 each, totaling Baht 8,857.65 million. Dividends of Baht 8,857.17 million were paid to shareholders on 13 September 2006. The remaining amount of Baht 0.48 million pertained to shareholders that were not entitled to receive the dividend and thus the Company will not pay such amount.

7 Trade accounts receivable, net

| | Consolidated | | Company | |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | 30 September 2006 Million Baht | 31 December 2005 Million Baht | 30 September 2006 Million Baht | 31 December 2005 Million Baht |
| Trade accounts receivable, gross | | | | |
| Third parties | 2,800 | 2,716 | 1,753 | 2,123 |
| Related parties (Note 19) | 130 | 138 | 1,887 | 1,776 |
| Accrued income | 1,769 | 2,288 | 1,664 | 2,121 |
| | 4,699 | 5,142 | 5,304 | 6,020 |
| <u>Less</u> allowance for trade receivables | (413) | (616) | (376) | (569) |
| | 4,286 | 4,526 | 4,928 | 5,451 |

Outstanding trade accounts receivable from third parties can be analysed as follows:

| | Consolidated | | Company | |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | 30 September 2006 Million Baht | 31 December 2005 Million Baht | 30 September 2006 Million Baht | 31 December 2005 Million Baht |
| Current - 3 months | 4,393 | 4,707 | 3,260 | 3,972 |
| Overdue 3 - 6 months | 117 | 167 | 110 | 157 |
| Overdue 6 - 12 months | 11 | 35 | 9 | 32 |
| Overdue over 12 months | 48 | 95 | 38 | 83 |
| | 4,569 | 5,004 | 3,417 | 4,244 |
| <u>Less</u> allowance for trade receivables | (413) | (616) | (376) | (569) |
| | 4,156 | 4,388 | 3,041 | 3,675 |

The directors are of the opinion that allowance for doubtful accounts of the Group and bank guarantees received from dealers by a subsidiary are sufficient to cover exposure to the bad debt risk.

Concentrations of credit risk with respect to trade accounts receivable are limited due to the Group's large number of customers. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade accounts receivable.

8 Other current assets

| | Consolidated | | Company | |
|-------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | 30 September 2006 Million Baht | 31 December 2005 Million Baht | 30 September 2006 Million Baht | 31 December 2005 Million Baht |
| Prepaid expenses | 1,624 | 887 | 1,561 | 833 |
| Other receivables | 606 | 347 | 252 | 184 |
| | 2,230 | 1,234 | 1,813 | 1,017 |

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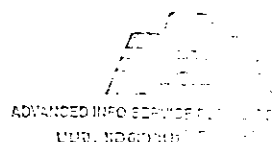
ADVANCED INVESTMENT MANAGEMENT
PUBLISHED BY THE COMPANY

9 Investments in subsidiaries, net

Movements in investments in subsidiaries for the nine-month period ended 30 September 2006 comprise:

| | <u>Company</u> <u>2006</u> <u>Million Baht</u> |
|---|--|
| Transactions during the nine-month period ended 30 September | |
| Opening net book amount - as previously reported | 30,148 |
| Retrospective adjustment (Note 2) | 829 |
| Opening net book amount - as restated | 30,977 |
| Share of net profit of investments - equity method | 1,895 |
| Addition | 99 |
| Dividend received from a subsidiary | (2,017) |
| Closing net book amount | <u>30,954</u> |

On 11 September 2006, AIS International Network Company Limited, a subsidiary, registered the increase in the share capital from Baht 1.00 million (10,000 shares of Baht 100 each) to Baht 200.00 million (2 million shares of Baht 100 each) with the Ministry of Commerce. The purpose of the capital increase is to fund the operation of international gateway business. The Company paid for the call-up share capital of Baht 49.75 per share, totaling Baht 99.00 million on 8 September 2006. The Company still owns 99.99% of the completion of the capital increase.



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Advanced Info Service Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the nine-month periods ended 30 September 2006 and 2005

9 Investments in subsidiaries, not (continued)

The nature and carrying value of investments in subsidiaries can be summarised as follows:

| Company - 30 September 2006 / 31 December 2005 | | | | | | | | | | | | | |
|--|---|--------------------------|------------------------|---------------------------------|----------------------|----------------------|--|------------------|------------------------|-------------------|--------------------------|---|----------|
| Subsidiaries | Nature of business | Country of Incorporation | Nature of relationship | Paid-up capital Million Baht | Investment portion % | Cost Million Baht | Accumulated share of profit (loss) in subsidiaries | | | | Dividend Million Baht | Unrealised gain dilution of investment Million baht | |
| | | | | | | | 30 September 2006 | 31 December 2005 | Equity Million Baht | 30 September 2006 | | | |
| | | | | | | | | | | | | | Restated |
| Mobile from Advance Co., Ltd | Currently ceased operations. | Thailand | Shareholder | 240.00 | 99.99 | 600.00 | 8,571.43 | 8,564.92 | 275.11 | 268.60 | - | (18.72) | - |
| Advanced Datanetwork Communications Co., Ltd. | Service provider of voice/data communications via telephone line and broadband | Thailand | Shareholder | 957.52 | 51.00 | 597.82 | (282.26) | (142.22) | 318.60 | 458.64 | - | - | 3.04 |
| Datanetwork Solutions Co., Ltd | Service provider of voice/data communications via telephone line | Thailand | Shareholder | 1.00 | 49.00 | 8.00 | 18.64 | 17.97 | 26.64 | 25.97 | - | - | - |
| Advanced Contact Center Co., Ltd | Service provider of call center | Thailand | Shareholder | 272.00 | 99.99 | 810.96 | (129.80) | (176.39) | 449.96 | 403.37 | - | (231.20) | - |
| Digital Phone Co., Ltd. | Importer and distributor of cellular phones and related accessories, cellular phone rental and service provider of digital mobile phone system in 1800 MHIS | Thailand | Shareholder | 14,621.86 | 98.55 | 23,299.84 | 9,023.52 | 7,589.18 | 28,721.04 | 29,304.00 | (2,017.30) | (1,585.02) | - |
| Data Line Thai Co., Ltd. | Service provider of Internet | Thailand | Shareholder | 15.00 | 65.00 | 2.41 | (2.21) | (2.09) | 0.20 | 0.32 | - | - | - |
| Advanced Magic Card , Co., Ltd. | Distributor of cash card business | Thailand | Shareholder | 250.00 | 99.99 | 250.00 | 581.88 | (10.01) | 831.88 | 239.99 | - | - | - |
| Advanced MPay Co., Ltd. | Service provider of payment business via mobile phone | Thailand | Shareholder | 300.00 | 69.99 | 210.00 | (138.12) | (95.01) | 230.03 | 273.14 | - | - | 158.15 |

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Advanced Info Service Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the nine-month periods ended 30 September 2006 and 2005

9 Investments in subsidiaries, net (continued)

The nature and carrying value of investments in subsidiaries can be summarised as follows:

| Company - 30 September 2006 / 31 December 2005 | | | | | | | | | | | | | | | |
|--|---|--------------------------|------------------------|---------------------------------|----------------------|----------------------|--|-----------|------------------|-----------|-------------------|------------|---|------------------|--|
| Subsidiaries | Nature of business | Country of Incorporation | Nature of relationship | Paid-up capital Million Baht | Investment portion % | Cost Million Baht | Accumulated share of profit (loss) in subsidiaries | | | | | | Unrealised gain or dilution of investment Million baht | | |
| | | | | | | | 30 September 2006 | | 31 December 2005 | | 30 September 2006 | | | 31 December 2005 | |
| | | | | | | | Restated | | Restated | | Restated | | | Restated | |
| | | | | | | | 30 September 2006 | | 31 December 2005 | | 30 September 2006 | | | 31 December 2005 | |
| AIS International Network Co., Ltd. | Service provider of international gateway | Thailand | Shareholder | 100.00 | 99.99 | 100.00 | (1.55) | (0.01) | 98.45 | 0.99 | - | - | - | | |
| AIS Wireless Communication Network Co., Ltd. | Currently not in operation | Thailand | Shareholder | 1.00 | 99.99 | 1.00 | (0.01) | (0.01) | 0.99 | 0.99 | - | - | - | | |
| AIS Wire Network Co., Ltd. | Currently not in operation | Thailand | Shareholder | 1.00 | 99.99 | 1.00 | (0.01) | (0.01) | 0.99 | 0.99 | - | - | - | | |
| Investments in subsidiaries, net | | | | | | | 25,881.03 | 17,641.51 | 15,746.32 | 30,953.89 | 30,977.00 | (2,017.30) | (1,834.94) | 161.19 | |

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88.

ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED
UNAUDITED CONDENSED NOTES TO THE INTERIM CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

10 Capital expenditure and commitments

| | Consolidated (Million Baht) | | | | |
|--|-----------------------------|------------------------------------|-------------------|-------------------|---------------------------|
| | Property and equipment | Assets under concession agreements | Computer software | Concession rights | Goodwill and other assets |
| Transactions during the nine-month period ended 30 September 2006 | | | | | |
| Opening net book value | 8,259 | 75,843 | 1,440 | 3,506 | 9,619 |
| Additions | 2,163 | 12,161 | 191 | - | 77 |
| Disposals, net | (14) | - | - | - | (2) |
| Transfer, net | 272 | (357) | 85 | - | - |
| Depreciation/amortisation charges | (2,924) | (9,253) | (380) | (341) | (959) |
| Allowance for impairment/written-off | (2) | (67) | - | - | - |
| Closing net book value | 7,754 | 78,327 | 1,336 | 3,165 | 8,735 |
| At 30 September 2006 | | | | | |
| Cost | 27,171 | 159,243 | 3,410 | 6,993 | 15,470 |
| <u>Less</u> accumulated depreciation/amortisation | (19,415) | (76,879) | (2,074) | (3,828) | (6,735) |
| allowance for asset impairment | (2) | (4,021) | - | - | - |
| allowance for written-off assets | - | (16) | - | - | - |
| Net book value | 7,754 | 78,327 | 1,336 | 3,165 | 8,735 |

Additions include Baht 16.14 million (2005: Baht 5.72 million) assets leased under finance leases (where the Group is the lessee).

| | Company (Million Baht) | | | |
|--|------------------------|------------------------------------|-------------------|--------------|
| | Property and equipment | Assets under concession agreements | Computer software | Other assets |
| Transactions during the nine-month period ended 30 September 2006 | | | | |
| Opening net book value | 7,917 | 68,029 | 1,352 | 516 |
| Additions | 2,060 | 11,996 | 216 | 49 |
| Disposals, net | (13) | - | - | (3) |
| Transfer, net | (70) | - | 70 | - |
| Depreciation/amortisation charges | (2,833) | (8,290) | (376) | (68) |
| Allowance for impairment | (2) | (51) | - | - |
| Closing net book value | 7,059 | 71,684 | 1,262 | 494 |
| At 30 September 2006 | | | | |
| Cost | 25,776 | 143,264 | 3,327 | 711 |
| <u>Less</u> accumulated depreciation/amortisation | (18,715) | (67,559) | (2,065) | (217) |
| allowance for asset impairment | (2) | (4,021) | - | - |
| Net book value | 7,059 | 71,684 | 1,262 | 494 |

Additions include Baht 5.42 million (2005: Baht 4.60 million) assets leased under finance leases (where the Company is the lessee).

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10 Capital expenditure and commitments (continued)

Capital expenditure commitments with third parties

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

| | Consolidated | | Company | |
|---|---------------------------------|--------------------------------|---------------------------------|--------------------------------|
| | 30 September 2006 Million | 31 December 2005 Million | 30 September 2006 Million | 31 December 2005 Million |
| Assets under concession agreements | | | | |
| Thai Baht | 6,174 | 2,679 | 6,156 | 2,642 |
| US Dollars | 88 | 43 | 87 | 38 |
| Japanese Yen | 871 | 1,478 | 871 | 1,478 |
| Euro | 1 | 1 | 1 | 1 |
| Property and equipment | | | | |
| Thai Baht | 215 | 224 | 208 | 217 |
| US Dollars | 13 | 16 | 13 | 16 |
| Service maintenance agreements | | | | |
| Thai Baht | 1,341 | 1,064 | 1,278 | 1,061 |
| US Dollars | 11 | 7 | 10 | 7 |
| Japanese Yen | 134 | 74 | 134 | 74 |

The Group has entered into lease and related service agreements for office spaces, cars, base stations, computer hardware and others for periods ranging from 1 month to 9 years with options to renew. As at 30 September 2006, the Group is committed to pay for rental and related services in respect of the agreements as follows:

| | Consolidated Million Baht | Company Million Baht |
|-----------------------------|------------------------------|-------------------------|
| Payment due - within 1 year | 908 | 804 |
| - within 2 to 5 years | 1,347 | 1,269 |
| - over 5 years | 123 | 123 |

11 Trade accounts payable

| | Consolidated | | Company | |
|---------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | 30 September 2006 Million Baht | 31 December 2005 Million Baht | 30 September 2006 Million Baht | 31 December 2005 Million Baht |
| Trade accounts payable | | | | |
| Third parties | 6,414 | 4,399 | 6,018 | 3,755 |
| Related parties (Note 19) | 105 | 121 | 478 | 727 |
| | <u>6,519</u> | <u>4,520</u> | <u>6,496</u> | <u>4,482</u> |

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12 Borrowings

| | Consolidated | | Company | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | 30 September 2006 Million Baht | 31 December 2005 Million Baht | 30 September 2006 Million Baht | 31 December 2005 Million Baht |
| Current | | | | |
| Current portion of long-term debentures, net | 16,488 | 14,231 | 16,488 | 14,231 |
| Current portion of finance lease liabilities | 11 | 10 | 9 | 10 |
| | <u>16,499</u> | <u>14,241</u> | <u>16,497</u> | <u>14,241</u> |
| Non-current | | | | |
| Long-term debentures, net | 17,110 | 11,191 | 17,110 | 11,191 |
| Finance lease liabilities | 23 | 19 | 14 | 17 |
| | <u>17,133</u> | <u>11,210</u> | <u>17,124</u> | <u>11,208</u> |
| Total borrowings | <u>33,632</u> | <u>25,451</u> | <u>33,621</u> | <u>25,449</u> |

The movements in the above borrowings can be analysed as follows:

| | Consolidated Million Baht | Company Million Baht |
|--|------------------------------|-------------------------|
| For the nine-month period ended 30 September 2006 | | |
| Opening net book value | 25,451 | 25,449 |
| Additions | 11,427 | 11,416 |
| Repayments | (3,261) | (3,259) |
| Amortisation of bond issuing cost | 15 | 15 |
| Closing net book value | <u>33,632</u> | <u>33,621</u> |

Long-term debentures

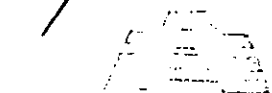
Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios.

The carrying amounts and fair values of long-term debentures (gross of issue costs) as at 30 September 2006 are as follows:

| | Consolidated | | Company | |
|----------------------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | Carrying amounts Million Baht | Fair values Million Baht | Carrying amounts Million Baht | Fair values Million Baht |
| Long-term debentures | <u>33,627</u> | <u>33,788</u> | <u>33,627</u> | <u>33,788</u> |

Fair values for traded debentures have been determined based on quoted selling prices from The Thai Bond Market Association at the close of the business on the balance sheet date.

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TAI BOND MARKET ASSOCIATION
สมาคมตลาดตราสารหนี้ไทย

13 Concession right payable

Digital Phone Company Limited ("DPC"), a subsidiary, acquired its concession under an assignment agreement from Total Access Communication Public Company Limited ("TAC"). Under the assignment agreement, DPC has outstanding amounts due to TAC in respect of the acquisition of this concession right. Under the terms of the agreement, TAC is entitled to terminate the agreement in the event of non-payment. As set out in the financial statements for the year ended 31 December 2003, DPC is in arbitration with TAC with respect to the principal and interest outstanding. On 30 September 2003 and 28 October 2003, TAC submitted the case to the Arbitration Committee for settlement of amounts due on 30 September 2002 and 2003 comprising principal and interest according to the agreement totaling USD 35.49 million and called for payment with an additional interest charge on the overdue payment of USD 1.34 million calculated up to 28 October 2003 and with interest to be charged at 9.50% per annum on overdue payment, from 29 October 2003 until the payment is made.

On 5 July 2006, TAC has submitted an additional claims to the Arbitration Committee for the last two amounts of concession rights fees due on 30 September 2004 and 2005 comprising principal and interest according to the agreement totalling USD 87.38 million and called for payment with an additional interest charge on the overdue payment of USD 10.29 million calculated up to 5 July 2006 and with interest to be charged at 9.50% per annum on overdue payment, from 6 July 2006 until the payment is made.

DPC has recorded these principal and interest (excluding interest on overdue amounts) in the total concession payable (using the effective interest rate method) of Baht 4,739 million (31 December 2005: Baht 4,739 million). DPC has engaged legal advisors and submitted its case to the Arbitration Committee for settlement. The arbitration process was not completed in this period. According to the agreement, the interest rate exposure on the concession right payable is fixed at a rate of 9.50% per annum. These financial statements include full recognition of the concession payable and interest according to the agreement (using the effective interest rate method) but have not provided accrued interest charge for overdue payment. DPC's management believes that settlement of this arbitration case should not have a material unfavourable effect on the financial statements.

14 Other current liabilities

| | Consolidated | | Company | |
|------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | 30 September 2006 Million Baht | 31 December 2005 Million Baht | 30 September 2006 Million Baht | 31 December 2005 Million Baht |
| Accrued bonus | 326 | 344 | 285 | 287 |
| Accrued interest expense | 163 | 204 | 163 | 289 |
| Value added tax payable, net | 153 | 235 | 144 | 213 |
| Other payables | 900 | 267 | 697 | 208 |
| Other current liabilities | 806 | 606 | 488 | 392 |
| | <u>2,348</u> | <u>1,656</u> | <u>1,777</u> | <u>1,389</u> |

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CHARTERED ACCOUNTANTS

15 Deferred income tax

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 30% (2005: 30%).

The movement on the deferred income tax account is as follows:

| | Million Baht | | | |
|--|--------------|------------------|---------|------------------|
| | Consolidated | | Company | |
| | 2006 | 2005 Restated | 2006 | 2005 Restated |
| At 1 January | 8,853 | 9,040 | 8,019 | 8,097 |
| Statement of income charge | 916 | 154 | 845 | 265 |
| Reverse from equity/tax charge to equity | 8 | (1) | - | - |
| At 30 September | 9,777 | 9,193 | 8,864 | 8,362 |

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:

| Deferred tax assets | Million Baht | | | | | |
|--------------------------------|--|--|---|--|----------|--------|
| | Consolidated | | | | Unearned | |
| | Allowance for doubtful accounts | Allowance for obsolete spare part inventories | Amortisation of asset under concession agreement | income - mobile phone service | Others | Total |
| At 1 January 2006 | 219 | 138 | 8,164 | 660 | 58 | 9,239 |
| (Charges)/credit to net profit | (39) | 27 | 321 | 666 | (3) | 972 |
| At 30 September 2006 | 180 | 165 | 8,485 | 1,326 | 55 | 10,211 |

| Deferred tax liabilities | Million Baht | | | | | |
|--------------------------------|-----------------------|--|---------------------------------|---------------------|----------|-------|
| | Consolidated | | | | Unearned | |
| | Prepaid commission | Prepaid concession fee and excise tax | Accelerated tax amortisation | Fair value gains | Others | Total |
| At 1 January 2006 | 92 | 157 | 91 | 34 | 12 | 386 |
| (Credit)/charges to net profit | (53) | 147 | (9) | (26) | (3) | 56 |
| Reverse from equity | - | - | - | (8) | - | (8) |
| At 30 September 2006 | 39 | 304 | 82 | - | 9 | 434 |

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THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED
THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

15 Deferred income tax (continued)

| | Million Baht | | | | | |
|--------------------------------|---------------------------------------|--|---|--|--------|-------|
| | Company | | | | | |
| Deferred tax assets | Allowance for doubtful accounts | Allowance for obsolete spare part inventories | Amortisation of asset under concession agreement | Unearned income - mobile phone service | Others | Total |
| At 1 January 2006 | 154 | 138 | 7,177 | 660 | 59 | 8,188 |
| (Charges)/credit to net profit | (51) | 27 | 351 | 666 | (4) | 989 |
| At 30 September 2006 | 103 | 165 | 7,528 | 1,326 | 55 | 9,177 |

| Deferred tax liabilities | Prepaid concession fee and excise tax | Others | Total |
|--------------------------------|---|--------|-------|
| At 1 January 2006 | 157 | 12 | 169 |
| Charges/(credit) to net profit | 147 | (3) | 144 |
| At 30 September 2006 | 304 | 9 | 313 |

Deferred income tax assets and liabilities are offset when there is a legally enforceable right the income taxes relate to the same fiscal authority. The following amounts, determining after appropriate offsetting, are shown in the consolidated and the Company balance sheets:

| | Million Baht | | | |
|--------------------------|----------------------|---------------------------------|----------------------|---------------------------------|
| | Consolidated | | Company | |
| | 30 September 2006 | 31 December 2005 Restated | 30 September 2006 | 31 December 2005 Restated |
| Deferred tax assets | 9,816 | 8,946 | 8,864 | 8,019 |
| Deferred tax liabilities | 39 | 92 | - | - |

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ADVANCED INFORMATION SERVICE

Signature 3.8.

16 Income tax

Reconciliation of income tax for the three-month periods ended 30 September is as follows:

| | Million Baht | | | |
|--------------|----------------------|----------------------------------|----------------------|----------------------------------|
| | Consolidated | | Company | |
| | 30 September 2006 | 30 September 2005 Restated | 30 September 2006 | 30 September 2005 Restated |
| Current tax | 2,286 | 1,711 | 1,945 | 1,265 |
| Deferred tax | (607) | 237 | (552) | 176 |
| | <u>1,679</u> | <u>1,948</u> | <u>1,393</u> | <u>1,441</u> |

Reconciliation of income tax for the nine-month periods ended 30 September is as follows:

| | Million Baht | | | |
|------------------------|----------------------|----------------------------------|----------------------|----------------------------------|
| | Consolidated | | Company | |
| | 30 September 2006 | 30 September 2005 Restated | 30 September 2006 | 30 September 2005 Restated |
| Current tax | 6,883 | 6,602 | 5,668 | 5,144 |
| Deferred tax (Note 15) | (916) | (154) | (845) | (265) |
| | <u>5,967</u> | <u>6,448</u> | <u>4,823</u> | <u>4,879</u> |

Reconciliation of income tax expense and the results of the accounting profit multiplied by the income tax rates for the nine-month periods ended 30 September is as follows:

| | Million Baht | | | |
|--|----------------------|----------------------------------|----------------------|----------------------------------|
| | Consolidated | | Company | |
| | 30 September 2006 | 30 September 2005 Restated | 30 September 2006 | 30 September 2005 Restated |
| Profit before tax | <u>18,920</u> | <u>20,572</u> | <u>17,892</u> | <u>18,988</u> |
| Tax calculated at a tax rate of 30% (2005: 30%) | 5,676 | 6,172 | 5,368 | 5,696 |
| Share of net results from investments - equity method | - | - | (569) | (791) |
| Effect from elimination with subsidiaries | 238 | 275 | - | - |
| Other permanent differences | 53 | 1 | 24 | (26) |
| Tax charge | <u>5,967</u> | <u>6,448</u> | <u>4,823</u> | <u>4,879</u> |

Further information about deferred tax is presented in Note 15.

Shye 8.8.

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17 Share capital and premium on share capital

| | Million shares | | Million Baht | | |
|--|-----------------------------|--|--------------------|------------------|--------|
| | Authorised share capital | Issued and paid-up share capital | Ordinary shares | Share premium | Total |
| For the nine-month period ended 30 September 2006 | | | | | |
| Opening balance | 5,000 | 2,951 | 2,951 | 20,730 | 23,681 |
| Issue of shares | - | 5 | 5 | 212 | 217 |
| Reduction of shares - Treasury stock | (3) | (3) | (3) | - | (3) |
| Closing balance | 4,997 | 2,953 | 2,953 | 20,942 | 23,895 |

During the nine-month period ended 30 September 2006, the Company registered the increase in share capital with the Ministry of Commerce for 4.63 million ordinary shares from the exercise of 4.40 million warrants, 0.47 million warrants of which were exercised during the quarter ended 31 December 2005. The capital increase results in an increase in paid-up share capital and share premium of Baht 4.63 million and Baht 211.78 million, respectively.

According to the Public Limited Companies Act (No.2) B.E. 2544, Treasury Stock Rules, any company repurchases its shares has to dispose all of the repurchased shares within a 3-year period commencing from the date of share repurchase completion. If the Company does not dispose the treasury stock within the 3-year period, the Company has to reduce its paid-up share capital to offset with the treasury stock. The Company repurchased 2,540,200 of its ordinary shares during 2 December 2002 to 1 June 2003. However, as at 1 June, 2006, the Company has not disposed any of the treasury stock. In order to comply with the aforementioned regulations, the Company offset its treasury stock with its authorised and paid-up share capital. The Company registered the reduction in authorised and paid-up share capital with the Ministry of Commerce on 16 June 2006.

As at 30 September 2006, the total issued number of ordinary shares is 2,952.73 million shares (31 December 2005: 2,950.64 million shares) with a par value of Baht 1 per share (31 December 2005: Baht 1 per share). All issued shares are fully paid.

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Shye : 88.

17 Share capital and premium on share capital (continued)

Warrants granted to directors and employees

The Company has granted warrants at Baht nil per unit to directors and employees. The warrants are in registered form and non-transferable. Term of warrant is not exceeding 5 years. Details of warrants are as follows:

| Grant date | 27/03/2002 (Grant I) | 30/05/2003 (Grant II) | 31/05/2004 (Grant III) | 31/05/2005 (Grant IV) | 31/05/2006 (Grant V) |
|---|-------------------------|--------------------------|---------------------------|--------------------------|-------------------------|
| Warrants (Million units) | 14.00 | 8.47 | 9.00 | 9.69 | 10.14 |
| Exercise price per unit | 48.00 | 43.38 | 91.79 | 106.66 | 91.46 |
| Exercise ratio | 1 : 1 | 1 : 1 | 1 : 1 | 1 : 1 | 1 : 1 |
| First adjustment to exercise price per unit and ratio (effective from 20 August 2003 onwards) | | | | | |
| - Price | 47.73 | 43.14 | - | - | - |
| - Ratio | 1 : 1.00559 | 1 : 1.00559 | - | - | - |
| Second adjustment to exercise price per unit and ratio (effective from 30 September 2004 onwards) | | | | | |
| - Price | 47.40 | 42.84 | - | - | - |
| - Ratio | 1 : 1.01261 | 1 : 1.01261 | - | - | - |
| Third adjustment to exercise price per unit and ratio (effective from 25 August 2004 onwards) | | | | | |
| - Price | 47.15 | 42.63 | 91.35 | - | - |
| - Ratio | 1 : 1.01751 | 1 : 1.01751 | 1 : 1.00484 | - | - |
| Fourth adjustment to exercise price per unit and ratio (effective from 7 March 2005 onwards) | | | | | |
| - Price | 46.78 | 42.30 | 90.64 | - | - |
| - Ratio | 1 : 1.02549 | 1 : 1.02549 | 1 : 1.01272 | - | - |
| Fifth adjustment to exercise price per unit and ratio (effective from 22 August 2005 onwards) | | | | | |
| - Price | 46.16 | 41.74 | 89.44 | 105.25 | - |
| - Ratio | 1 : 1.03927 | 1 : 1.03927 | 1 : 1.02633 | 1 : 1.01344 | - |
| Sixth adjustment to exercise price per unit and ratio (effective from 30 March 2006 onwards) | | | | | |
| - Price | 45.32 | 40.99 | 87.82 | 103.34 | - |
| - Ratio | 1 : 1.05843 | 1 : 1.05843 | 1 : 1.04525 | 1 : 1.03213 | - |
| Seventh adjustment to exercise price per unit and ratio (effective from 25 August 2006 onwards) | | | | | |
| - Price | 44.62 | 40.35 | 86.45 | 101.74 | 90.05 |
| - Ratio | 1 : 1.07512 | 1 : 1.07512 | 1 : 1.06173 | 1 : 1.04841 | 1 : 1.01577 |

Seventh adjustment to exercise price and exercise ratio of warrant grant I, grant II, grant III, grant IV and grant V

At the Board of Directors' meeting held on 15 August 2006, the Board passed a resolution to approve the seventh adjustment of the exercise price of warrants grant I, grant II, grant III, grant IV and grant V from Baht 45.32 per unit to Baht 44.62 per unit, from Baht 40.99 per unit to Baht 40.35 per unit, from Baht 87.82 per unit to Baht 86.45 per unit, from Baht 103.34 per unit to Baht 101.74 per unit and from Baht 91.46 per unit to Baht 90.05 per unit, respectively. In addition, the exercise ratio was approved to be changed from 1 : 1.05843 to 1 : 1.07512 for both grant I and grant II, from 1 : 1.04525 to 1 : 1.06173 for grant III, from 1 : 1.03213 to 1 : 1.04841 for grant IV and from 1 : 1 to 1 : 1.01577 for grant V. The new exercise price and exercise ratio were effective from 25 August 2006 onwards.

[Signature]

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ADVANCED INFO SERVICE PCL. COMPANY LIMITED
UNIT NO. 100/101/102/103/104/105/106/107/108/109/110/111/112/113/114/115/116/117/118/119/120/121/122/123/124/125/126/127/128/129/130/131/132/133/134/135/136/137/138/139/140/141/142/143/144/145/146/147/148/149/150/151/152/153/154/155/156/157/158/159/160/161/162/163/164/165/166/167/168/169/170/171/172/173/174/175/176/177/178/179/180/181/182/183/184/185/186/187/188/189/190/191/192/193/194/195/196/197/198/199/200/201/202/203/204/205/206/207/208/209/210/211/212/213/214/215/216/217/218/219/220/221/222/223/224/225/226/227/228/229/230/231/232/233/234/235/236/237/238/239/240/241/242/243/244/245/246/247/248/249/250/251/252/253/254/255/256/257/258/259/260/261/262/263/264/265/266/267/268/269/270/271/272/273/274/275/276/277/278/279/280/281/282/283/284/285/286/287/288/289/290/291/292/293/294/295/296/297/298/299/300/301/302/303/304/305/306/307/308/309/310/311/312/313/314/315/316/317/318/319/320/321/322/323/324/325/326/327/328/329/330/331/332/333/334/335/336/337/338/339/340/341/342/343/344/345/346/347/348/349/350/351/352/353/354/355/356/357/358/359/360/361/362/363/364/365/366/367/368/369/370/371/372/373/374/375/376/377/378/379/380/381/382/383/384/385/386/387/388/389/390/391/392/393/394/395/396/397/398/399/400/401/402/403/404/405/406/407/408/409/410/411/412/413/414/415/416/417/418/419/420/421/422/423/424/425/426/427/428/429/430/431/432/433/434/435/436/437/438/439/440/441/442/443/444/445/446/447/448/449/450/451/452/453/454/455/456/457/458/459/460/461/462/463/464/465/466/467/468/469/470/471/472/473/474/475/476/477/478/479/480/481/482/483/484/485/486/487/488/489/490/491/492/493/494/495/496/497/498/499/500/501/502/503/504/505/506/507/508/509/510/511/512/513/514/515/516/517/518/519/520/521/522/523/524/525/526/527/528/529/530/531/532/533/534/535/536/537/538/539/540/541/542/543/544/545/546/547/548/549/550/551/552/553/554/555/556/557/558/559/560/561/562/563/564/565/566/567/568/569/570/571/572/573/574/575/576/577/578/579/580/581/582/583/584/585/586/587/588/589/590/591/592/593/594/595/596/597/598/599/600/601/602/603/604/605/606/607/608/609/610/611/612/613/614/615/616/617/618/619/620/621/622/623/624/625/626/627/628/629/630/631/632/633/634/635/636/637/638/639/640/641/642/643/644/645/646/647/648/649/650/651/652/653/654/655/656/657/658/659/660/661/662/663/664/665/666/667/668/669/670/671/672/673/674/675/676/677/678/679/680/681/682/683/684/685/686/687/688/689/690/691/692/693/694/695/696/697/698/699/700/701/702/703/704/705/706/707/708/709/710/711/712/713/714/715/716/717/718/719/720/721/722/723/724/725/726/727/728/729/730/731/732/733/734/735/736/737/738/739/740/741/742/743/744/745/746/747/748/749/750/751/752/753/754/755/756/757/758/759/760/761/762/763/764/765/766/767/768/769/770/771/772/773/774/775/776/777/778/779/780/781/782/783/784/785/786/787/788/789/790/791/792/793/794/795/796/797/798/799/800/801/802/803/804/805/806/807/808/809/810/811/812/813/814/815/816/817/818/819/820/821/822/823/824/825/826/827/828/829/830/831/832/833/834/835/836/837/838/839/840/841/842/843/844/845/846/847/848/849/850/851/852/853/854/855/856/857/858/859/860/861/862/863/864/865/866/867/868/869/870/871/872/873/874/875/876/877/878/879/880/881/882/883/884/885/886/887/888/889/890/891/892/893/894/895/896/897/898/899/900/901/902/903/904/905/906/907/908/909/910/911/912/913/914/915/916/917/918/919/920/921/922/923/924/925/926/927/928/929/930/931/932/933/934/935/936/937/938/939/940/941/942/943/944/945/946/947/948/949/950/951/952/953/954/955/956/957/958/959/960/961/962/963/964/965/966/967/968/969/970/971/972/973/974/975/976/977/978/979/980/981/982/983/984/985/986/987/988/989/990/991/992/993/994/995/996/997/998/999/1000/1001/1002/1003/1004/1005/1006/1007/1008/1009/1010/1011/1012/1013/1014/1015/1016/1017/1018/1019/1020/1021/1022/1023/1024/1025/1026/1027/1028/1029/1030/1031/1032/1033/1034/1035/1036/1037/1038/1039/1040/1041/1042/1043/1044/1045/1046/1047/1048/1049/1050/1051/1052/1053/1054/1055/1056/1057/1058/1059/1060/1061/1062/1063/1064/1065/1066/1067/1068/1069/1070/1071/1072/1073/1074/1075/1076/1077/1078/1079/1080/1081/1082/1083/1084/1085/1086/1087/1088/1089/1090/1091/1092/1093/1094/1095/1096/1097/1098/1099/1100/1101/1102/1103/1104/1105/1106/1107/1108/1109/1110/1111/1112/1113/1114/1115/1116/1117/1118/1119/1120/1121/1122/1123/1124/1125/1126/1127/1128/1129/1130/1131/1132/1133/1134/1135/1136/1137/1138/1139/1140/1141/1142/1143/1144/1145/1146/1147/1148/1149/1150/1151/1152/1153/1154/1155/1156/1157/1158/1159/1160/1161/1162/1163/1164/1165/1166/1167/1168/1169/1170/1171/1172/1173/1174/1175/1176/1177/1178/1179/1180/1181/1182/1183/1184/1185/1186/1187/1188/1189/1190/1191/1192/1193/1194/1195/1196/1197/1198/1199/1200/1201/1202/1203/1204/1205/1206/1207/1208/1209/1210/1211/1212/1213/1214/1215/1216/1217/1218/1219/1220/1221/1222/1223/1224/1225/1226/1227/1228/1229/1230/1231/1232/1233/1234/1235/1236/1237/1238/1239/1240/1241/1242/1243/1244/1245/1246/1247/1248/1249/1250/1251/1252/1253/1254/1255/1256/1257/1258/1259/1260/1261/1262/1263/1264/1265/1266/1267/1268/1269/1270/1271/1272/1273/1274/1275/1276/1277/1278/1279/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2280/2281/2282/2283/22

17 Share capital and premium (continued)

Warrants granted to directors and employees (continued)

Movements in the number of warrants outstanding are as follows:

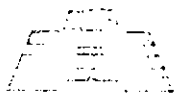
| | Directors Million units | Employees Million units | Total Million units |
|--|----------------------------|----------------------------|------------------------|
| For the nine-month period ended 30 September 2006 | | | |
| Opening balance | 4.76 | 20.26 | 25.02 |
| Granted | 2.41 | 7.98 | 10.39 |
| Exercised | (0.29) | (3.91) | (4.20) |
| Closing balance | 6.88 | 24.33 | 31.21 |


Exercised warrants

During the nine-month period ended 30 September 2006, 0.29 million units and 3.91 million units were exercised by the Company's directors and employees, respectively. The exercises of 3.93 million warrants during this period, and of 0.47 million warrants during the quarter ended 31 December 2005, increased paid-up share capital and premium on share capital by Baht 4.63 million and Baht 211.78 million, respectively.

The Company registered the increase in share capital with the Ministry of Commerce from the remaining exercised warrants of 0.27 million units or 0.29 million shares on 3 October 2006. The Company received advanced payment from shareholders for the 0.29 million shares in the amount of Baht 12.87 million in the quarter ended 30 September 2006 (Note 21).

The exercise of warrants complied with the terms and conditions of the issuance of warrants which were approved by the Company's shareholders.


ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED
บริษัท แอดวานซ์ อินโฟร์ เซอร์วิส จำกัด (มหาชน)

 . 88.

18 Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities for the nine-month periods ended 30 September 2006 and 2005:

| | Notes | Consolidated | | Company | |
|---|-------|----------------------|----------------------------------|----------------------|----------------------------------|
| | | 30 September 2006 | 30 September 2005 Restated | 30 September 2006 | 30 September 2005 Restated |
| | | Million Baht | Million Baht | Million Baht | Million Baht |
| Cash flows from operating activities: | | | | | |
| Net profit for the period | | 13,069 | 14,109 | 13,069 | 14,109 |
| Adjusted by: | | | | | |
| Depreciation | 10 | 2,924 | 3,684 | 2,833 | 3,621 |
| Amortisation of computer software | 10 | 380 | 385 | 376 | 385 |
| Amortisation of assets under concession agreements | 10 | 9,253 | 9,505 | 8,290 | 7,975 |
| Allowance for impairment/written-off | 10 | 69 | - | 53 | - |
| Amortisation of concession right | 10 | 341 | 341 | - | - |
| Amortisation of goodwill | 10 | 875 | 875 | - | - |
| Amortisation of deferred charges | 10 | 84 | 117 | 68 | 102 |
| Amortisation of forward and swap premium | | 13 | 21 | 13 | 21 |
| Amortisation of bond issuing cost | | 15 | 18 | 15 | 18 |
| Loss (Reversal) on write-off obsolete spare parts for mobile phone network maintenance | | 94 | (135) | 90 | (145) |
| Loss on write-off of deferred charge | | 3 | 4 | 2 | 4 |
| Doubtful accounts and bad debts | | 210 | 396 | 197 | 380 |
| Loss (Reversal) on obsolete inventories and diminution in value of finished goods | | 51 | (17) | - | - |
| (Gain) Loss on disposals of fixed assets | | (7) | 18 | (6) | 18 |
| Loss on write-off property, plant and equipment | | 5 | 5 | 5 | 5 |
| Unrealised loss on foreign exchange rate | | 8 | 4 | 8 | 4 |
| Realised unearned income | | (43) | (24) | - | - |
| Share of net profit in subsidiaries | 9 | - | - | (1,895) | (2,636) |
| Decrease in deferred tax income | | (916) | (154) | (845) | (265) |
| Share of net (loss) profit from subsidiaries to minority interests | | (116) | 15 | - | - |
| Net income before changes in operating assets and liabilities | | 26,312 | 29,167 | 22,273 | 23,596 |
| Changes in operating assets and liabilities | | | | | |
| - Restricted bank deposits | | 2,694 | (2,170) | - | - |
| - Trade accounts receivable | | 25 | 264 | 320 | 1,274 |
| - Amounts due from related parties | | - | (1) | (41) | (41) |
| - Receivable for cash card | | 786 | - | - | - |
| - Value added tax receivables - third party | | (148) | 299 | (148) | 299 |
| - Inventories and spare part inventories for mobile network maintenance | | (725) | (187) | (34) | 172 |
| - Other current assets | | (1,010) | (139) | (809) | 66 |
| - Other assets | | (77) | (106) | (48) | (104) |
| - Trade accounts payable | | (8) | (360) | (76) | (101) |
| - Amounts due to related parties | | (80) | (57) | (128) | (25) |
| - Concession rights payable, accrued concession fee and excise tax | | 1,182 | 1,372 | 1,139 | 1,079 |
| - Unearned income - mobile phone service | | 1,386 | (504) | 2,219 | (687) |
| - Advance receipt from customer | | (2,288) | 1,152 | - | - |
| - Income tax payable | | (1,083) | (3,105) | (464) | (2,305) |
| - Deposits from customers | | 10 | 8 | - | - |
| - Other current liabilities | | 680 | (479) | 388 | (320) |
| Cash flows from operating activities | | 27,656 | 25,154 | 24,591 | 22,903 |

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19 Related party transactions

Shin Corporation Public Company Limited is a major shareholder, holding 42.80% (at 31 December 2005: 42.83%) of the share capital of the Company. SingTel Strategic Investments Pte Ltd. is a shareholder, holding 19.24% (at 31 December 2005: 19.25%) of the share capital of the Company.

The principal shareholder of the Company's major shareholder is the Shinawatra family. Transactions related to companies in which the Shinawatra family are the principal shareholders or directors are recognised as related parties to the Company.

On 23 January 2006, the Shinawatra family, the principal shareholders of Shin Corporation ("SHIN"), the Company's major shareholder, sold all SHIN's shares, representing 49.60% of the paid-up capital of the SHIN, to Cedar Holdings Limited ("Cedar") and Aspen Holdings Limited ("Aspen"), part of the Temasek Holdings (Pte) Ltd. ("Temasek") group. Consequently, the Shinawatra family and its related parties ceased to be the related parties of the Company from the date of the sale. However, the Company disclosed related party transaction with Shinawatra family up to 31 January 2006.

During the period, the Group has entered into a number of transactions with related parties, the terms of which are negotiated on arm's length basis in the ordinary course of business and according to normal trade conditions. Consulting and management service fees are charged on a mutually agreed basis as a percentage of assets. Treasury fees, which are included in consulting and management service fees, are charged on a percentage of transaction amounts. The Group uses external appraisers to evaluate property rental rate in the case that market rate is not available.

SHIN has terminated and ceased charging for the consulting and management services agreement with the Group since the third quarter of 2006.

The Group has transactions with related parties for nine-month periods ended 30 September 2006 and 2005 as follows:

a) Sales of goods and services

| For the three-month periods ended | Consolidated | | Company | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30 September 2006 | 30 September 2005 | 30 September 2006 | 30 September 2005 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Service income | | | | |
| Subsidiaries | - | - | 73 | 83 |
| Shin Corporation and its related parties | 36 | 30 | 9 | 8 |
| Related party of SingTel Strategic Investments Pte Ltd. | 173 | 161 | 173 | 161 |
| Total service income | 209 | 191 | 255 | 252 |
| Other income | | | | |
| Subsidiaries | - | - | 59 | 72 |
| Shin Corporation and its related parties | - | 8 | - | 4 |
| Total other income | - | 8 | 59 | 76 |
| Sales of prepaid cards | | | | |
| Subsidiary | - | - | 6,339 | 10,076 |

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SINGTEL STRATEGIC INVESTMENTS PTE LTD.
100, BRIDGE ROAD, #15-01, SINGAPORE 179095

19 Related party transactions (continued)

a) Sales of goods and services (continued)

| For the nine-month periods ended | Consolidated | | Company | |
|---|--------------|--------------|--------------|--------------|
| | 30 September | 30 September | 30 September | 30 September |
| | 2006 | 2005 | 2006 | 2005 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Service income | | | | |
| Subsidiaries | - | - | 266 | 234 |
| Shin Corporation and its related parties | 113 | 78 | 32 | 25 |
| Related party of SingTel Strategic Investments Pte Ltd. | 511 | 444 | 511 | 444 |
| Total service income | 624 | 522 | 809 | 703 |
| Other income | | | | |
| Subsidiaries | - | - | 166 | 143 |
| Shin Corporation and its related parties | 4 | 16 | 2 | 8 |
| Total other income | 4 | 16 | 168 | 151 |
| Sales of prepaid cards | | | | |
| Subsidiary | - | - | 6,339 | 33,962 |

b) Purchases of services

| For the three-month periods ended | Consolidated | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 30 September | 30 September | 30 September | 30 September |
| | 2006 | 2005 | 2006 | 2005 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Rental and other service expenses | | | | |
| Subsidiaries | - | - | 1,197 | 1,621 |
| Shin Corporation and its related parties | 103 | 279 | 96 | 259 |
| SingTel Strategic Investments Pte Ltd. and its related parties | 92 | 78 | 92 | 78 |
| Total rental and other service expenses | 195 | 357 | 1,385 | 1,958 |
| Advertising expense - net* | | | | |
| Related parties of Shin Corporation | 147 | 127 | 130 | 117 |
| (Advertising expense - gross** | | | | |
| - Consolidated 2006: 396 Million Baht | | | | |
| 2005: 336 Million Baht | | | | |
| - Company 2006: 369 Million Baht | | | | |
| 2005: 329 Million Baht) | | | | |
| Total advertising expenses | 147 | 127 | 130 | 117 |

* Net balance represents fee charged on advertising production and gross margin of media work at advertising agency.

** Gross balance represents total advertising expense charged to the Group and the Company. The Group and the Company record such expense at gross in the statements of income.

Promotion expense

Subsidiaries - - - 4 - 4

Consulting and management fees

Shin Corporation and its related party - 1 - 52 - 1 - 51

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ADVANCED INFORMATION SERVICES PTE. LTD.
100, ROBINSON ROAD, SINGAPORE 068916

19 Related party transactions (continued)

b) Purchases of services (continued)

| For the nine-month periods ended | Consolidated | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 30 September | 30 September | 30 September | 30 September |
| | 2006 | 2005 | 2006 | 2005 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Rental and other service expenses | | | | |
| Subsidiaries | - | - | 3,595 | 4,190 |
| Shin Corporation and its related parties | 388 | 778 | 360 | 725 |
| SingTel Strategic Investments Pte Ltd. and its related parties | 262 | 221 | 262 | 221 |
| Total rental and other service expenses | 650 | 999 | 4,217 | 5,136 |
| Advertising expense - net* | | | | |
| Related parties of Shin Corporation | 382 | 395 | 347 | 376 |
| (Advertising expense - gross** | | | | |
| - Consolidated 2006: 1,181 Million Baht | | | | |
| 2005: 1,320 Million Baht | | | | |
| - Company 2006: 1,091 Million Baht | | | | |
| 2005: 1,311 Million Baht | | | | |
| Total advertising expenses | 382 | 395 | 347 | 376 |

* Net balance represents fee charged on advertising production and gross margin of media work at advertising agency.

** Gross balance represents total advertising expense charged to the Group and the Company. The Group and the Company record such expense at gross in the statements of income.

| | | | | |
|--|-----|-----|----|-----|
| Promotion expense | | | 12 | 27 |
| Subsidiaries | - | - | - | - |
| Consulting and management fees | | | | |
| Shin Corporation and its related parties | 100 | 156 | 99 | 154 |

| For the three-month periods ended | Consolidated | | Company | |
|-----------------------------------|--------------|--------------|--------------|--------------|
| | 30 September | 30 September | 30 September | 30 September |
| | 2006 | 2005 | 2006 | 2005 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Interest expense | | | | |
| Subsidiary | - | - | 70 | 32 |
| Directors of related parties | - | 1 | - | 1 |
| Total interest expense | - | 1 | 70 | 33 |

| For the nine-month periods ended | Consolidated | | Company | |
|----------------------------------|--------------|--------------|--------------|--------------|
| | 30 September | 30 September | 30 September | 30 September |
| | 2006 | 2005 | 2006 | 2005 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Interest expense | | | | |
| Subsidiary | - | - | 171 | 53 |
| Directors of related parties | 1 | 2 | 1 | 2 |
| Total interest expense | 1 | 2 | 172 | 55 |

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ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED
U.S. ROAD NO. 12, BANGKOK 10110

19 Related party transactions (continued)

c) Dividend paid

| For the three-month periods ended | Consolidated | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 30 September | 30 September | 30 September | 30 September |
| | 2006 | 2005 | 2006 | 2005 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Shin Corporation | 3,791 | 3,791 | 3,791 | 3,791 |
| SingTel Strategic Investments Pte Ltd. | 1,704 | 1,704 | 1,704 | 1,704 |
| Total dividend paid | 5,495 | 5,495 | 5,495 | 5,495 |

| For the nine-month periods ended | Consolidated | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 30 September | 30 September | 30 September | 30 September |
| | 2006 | 2005 | 2006 | 2005 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Shin Corporation | 7,961 | 7,077 | 7,961 | 7,077 |
| SingTel Strategic Investments Pte Ltd. | 3,578 | 3,181 | 3,578 | 3,181 |
| Total dividend paid | 11,539 | 10,258 | 11,539 | 10,258 |

d) Outstanding balance arising from sales/purchases of goods/services and loan to/from related parties

| | Consolidated | | Company | |
|---|--------------|--------------|--------------|--------------|
| | 30 September | 31 December | 30 September | 31 December |
| | 2006 | 2005 | 2006 | 2005 |
| | Million Baht | Million Baht | Million Baht | Million Baht |
| Short-term investments | | | | |
| Shin Corporation | - | 185 | - | - |
| Trade accounts receivable | | | | |
| Subsidiaries | - | - | 1,762 | 1,647 |
| Shin Corporation and its related Parties | 9 | 13 | 4 | 4 |
| Related party of SingTel Strategic Investments Pte Ltd. | 121 | 125 | 121 | 125 |
| | 130 | 138 | 1,887 | 1,776 |
| Amounts due from related parties | | | | |
| Subsidiaries | - | - | 38 | 39 |
| Shin Corporation and its related Parties | 3 | 3 | 2 | 1 |
| | 3 | 3 | 40 | 40 |
| Short-term loans to a related party | | | | |
| Subsidiary | - | - | 41 | - |

As at 30 September 2006, short-term loan to subsidiary represents promissory notes, bearing interest at the rate of 6.42% - 6.65% per annum. Repayment term is at call.

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ADVANCED INFO COMMUNICATIONS COMPANY LIMITED
0001 8060 0001 7

19 Related party transactions (continued)

d) Outstanding balance arising from sales/purchases of goods/services and loan to/from related parties (continued)

| | Consolidated | | Company | |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | 30 September 2006 Million Baht | 31 December 2005 Million Baht | 30 September 2006 Million Baht | 31 December 2005 Million Baht |
| Trade accounts payable | | | | |
| Subsidiaries | - | - | 409 | 622 |
| Shin Corporation and its related Parties | 56 | 75 | 20 | 59 |
| Related party of SingTel Strategic Investments Pte Ltd. | 49 | 46 | 49 | 46 |
| | <u>105</u> | <u>121</u> | <u>478</u> | <u>727</u> |
| Amounts due to related parties | | | | |
| Subsidiaries | - | - | 85 | 126 |
| Shin Corporation and its related Parties | 269 | 353 | 251 | 342 |
| Related party of SingTel Strategic Investments Pte Ltd. | 16 | 12 | 16 | 12 |
| | <u>285</u> | <u>365</u> | <u>352</u> | <u>480</u> |
| Short-term loans from related parties | | | | |
| Subsidiary | - | - | 4,200 | 8,000 |

As at 30 September 2006, loan from a subsidiary represents a promissory note with maturity of less than one year, bearing interest at the rate of 4.96% per annum (at 31 December 2005: 3.25% per annum). Repayment term is at call (at 31 December 2005: Baht 8,000 million was paid during the nine-month period ended 30 September 2006).

| | Consolidated | | Company | |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | 30 September 2006 Million Baht | 31 December 2005 Million Baht | 30 September 2006 Million Baht | 31 December 2005 Million Baht |
| Long-term debentures | | | | |
| Major shareholder of Shin Corporation | - | 10 | - | 10 |
| Directors of the Company and directors of the Company's related party | 24 | 37 | 24 | 37 |
| | <u>24</u> | <u>47</u> | <u>24</u> | <u>47</u> |

e) Commitments with related parties

The Group has entered into related service agreements for satellite transponder services, consulting and management services and computer system services and repair and maintenance services for software and hardware for periods ranging from 1 month to 3 years with options to renew. At 30 September 2006, the Group is committed to pay for rental and related services in respect of the agreements as follows:

| | Consolidated Million Baht | Company Million Baht |
|-----------------------------------|------------------------------|-------------------------|
| Payment due - within 1 year | 75 | 71 |
| Payment due - within 2 to 5 years | 110 | 110 |

19 Related party transactions (continued)

e) Commitments with related parties (continued)

The Company has entered into agreements with a subsidiary of a major shareholder under which the related party provides satellite transponder services. The Company is committed to pay for transponder services amounting to approximately Baht 5.33 million per month (at 31 December 2005: Baht 5.83 million per month).

The Company has entered into agreements with a related party under which the related party provides computer system services and repair and maintenance services for software and hardware for a twelve-month period. The Company is committed to pay for such services under these agreements amounting to approximately Baht 2.22 million per month (at 31 December 2005: Baht 2.03 million per month).

f) **Shin Corporation's warrants**

Shin Corporation Public Company Limited ("SHIN"), a major shareholder, has granted its warrants at Baht nil per unit to the Company's directors. SHIN does not charge the Company for the grant of these warrants.

Certain directors of the Company are also directors of SHIN. Warrants granted to these directors (directors of both the Company and SHIN) are also included in the details below.

| Grant date | Warrants (Million units) | Exercise price per unit | Exercise ratio | Adjustment to exercise price per unit and ratio (effective from 25 August 2006 onwards) | |
|----------------------------|-----------------------------|----------------------------|----------------|---|-----------|
| | | | | Price | Ratio |
| 27 March 2002 (Grant I) | 18.34 | 17.80 | 1 : 1 | 16.45 | 1:1.06942 |
| 30 May 2003 (Grant II) | 12.22 | 13.67 | 1 : 1 | 12.78 | 1:1.06942 |
| 31 May 2004 (Grant III) | 8.82 | 36.41 | 1 : 1 | 34.05 | 1:1.06942 |
| 31 May 2005 (Grant IV) | 8.33 | 41.76 | 1 : 1 | 39.57 | 1:1.05540 |
| 31 July 2006 (Grant V) | 6.99 | 37.68 | 1 : 1 | 36.83 | 1:1.02307 |

Movements in the number of SHIN's warrants are as follows:

| | Million units |
|--|---------------|
| For the nine-month period ended 30 September 2006 | |
| Opening balance | 38.00 |
| Granted | - |
| Exercised | (20.03) |
| Closing balance | 17.97 |

During the nine-month period ended 30 September 2006, the Company's directors exercised 20.03 million units of warrants to acquire 20.57 million ordinary shares of SHIN.

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ALL OTHER INFORMATION BEING CONTAINED HEREIN IS UNCLASSIFIED

19 Related party transactions (continued)

g) Special reward program

Advanced Datanetwork Communication Company Limited, a subsidiary, has granted the rights to receive special reward program to the director of the subsidiary. The program will be granted the rights once a year for 5 consecutive years. The rights will be exercised after the first year but within 3 years after the grant date. Calculation of special reward program shall be based on the improvement of the subsidiary's operational performance on the exercised date comparing with that of the grant date of the subsidiary. However, such program will not exceed each person's budget. Details of special reward program are as follow:

| Project no. | Grant date | No. of rights Million units | Maximum budget not exceeding Million Baht |
|-------------|---------------|--------------------------------|--|
| 1 | 30 April 2002 | 3.41 | 3.88 |
| 2 | 2 May 2003 | 1.62 | 2.04 |
| 3 | 30 April 2004 | 0.81 | 2.34 |

Movement in the number of rights to receive special reward is as follows:

| | Million units |
|--|---------------|
| For the nine-month period ended 30 September 2006 | |
| Beginning balance | 1.08 |
| Granted | - |
| Exercised | (0.81) |
| Cancelled | (0.27) |
| Closing balance | - |

0.81 million units were exercised during the nine-month period ended 30 September 2006. The subsidiary did not incur expense from the exercised rights.

20 Bank guarantees

At 30 September 2006, the Group has commitments with local banks relating to letters of guarantee issued by the banks in respect of custom duties, electricity use and other transactions in the ordinary course of business amounting to approximately Baht 2,337.03 million (31 December 2005: Baht 1,856.95 million) on a consolidated basis and Baht 1,564.49 million (31 December 2005: Baht 1,447.80 million) on a Company basis.

21 Post balance sheet events

Warrants granted to directors and employees - exercised

As mentioned in Note 17, during the nine-month period ended 30 September 2006, the Company's warrants of 0.24 million units and 0.03 million units were exercised at Baht 40.35 each and Baht 86.45 each, respectively. The Company registered the increase in the share capital with the Ministry of Commerce on 3 October 2006.

In October 2006, a total of 0.18 million units, being 0.09 million units, 0.06 million units and 0.03 million units of the Company's warrants were exercised at Baht 44.62 each, Baht 40.35 each and Baht 86.45 each, respectively. The Company registered the increase in the share capital with the Ministry of Commerce on 2 November 2006.

As a result of these two transactions, the total issued and paid-up share capital and premium on share capital of the Company will increase from Baht 2,952.72 million to Baht 2,953.21 million, and from Baht 20,941.71 million to Baht 20,985.29 million, respectively.

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